

HOME NEWS

Union anger over public-spending cuts 'betraying' social contract a crucial issue in pay-pact talks

By Christopher Thomas
Labour Reporter

Trade union anger over the "betrayal" of the social contract by the imposition of public-spending cuts emerged yesterday as a crucial issue in the negotiation of a new pay pact from August.

A one-day union conference in London on the "social wage" uncovered the intense bitterness felt by all public-sector unions. The usually moderate National and Local Government Officers' Association (Nalgo) will face strong pressure at its annual conference in June to withdraw from the social contract.

The mood of yesterday's conference at Central Hall, Westminster, organized by the National Steering Committee Against the Cuts, was militant. Union after union condemned the cuts. Mr Bernard Davies, assistant general secretary of the National Union of Public Employees, said the TUC General Council should have its "backside kicked".

He added: "The social contract was agreed last June. In July and December there were cuts in public spending. There has been a lack of a fighting response from the TUC, which encouraged the Tories, who feel that the ground has already been softened up."

The preliminary agenda for the Nalgo conference in Scarborough, which is to discuss motions demanding an end to the social contract because of continued erosion in public spending, Sheffield branch, referring to the vicious cuts in essential public services, says the unions have restricted wage demands but the Government has not responded by keeping its side of the contract.

Harlow branch calls on the conference to resist vigorously any new social contract policy based on lowering real wages and restricting the right of unions to negotiate wages and conditions.

Central region states: "The social contract has been repeatedly broken by the Government and can no longer be treated by Nalgo as a binding agreement. Reductions in management have meant a drastic lowering of services to the public and a higher rate of unemployment." Several other motions use similar terms.

The Federation of Professional Officers' Associations, comprising the senior profes-

sional and managerial unions in local government, which is not affiliated to the TUC but is officially "independent" under the Employment Protection Act, has expressed "grave concern" at the impact of income policies on senior local government staff.

It says in a letter to the Chancellor of the Exchequer that differential restrictions on possibility levels within departments have been narrowed or even eliminated.

Mr Albert Spawncroft, general secretary of the Confederation of Health Service Employees, said his union was hesitant about making a decision on the next pay deal "until we see the sums".

Mr Joseph Whelan, an executive member of the National Union of Mineworkers, saw public spending cuts as "part and parcel of a general attack on the living standards of the mass of working people".

Mr Campbell Christie, assistant general secretary of the Society of Civil and Public Servants, said that as a result of giving more tax relief to industry taxation on wage-earners had increased. Taxation should be distributed more equitably.

More union pressure on MPs to save Government

By Paul Routledge
Labour Editor

As union pressure on MPs to save the Labour Government mounted yesterday, Mr David Bannister, general secretary of the General and Municipal Workers' Union and one of the TUC's prominent negotiators, predicted that Mr Callaghan would stay in office.

He said the Government had begun to overcome the nation's difficulties on the basis of a consensus. "The Tories do not understand what consensus means," he said.

"Our industrial strategy is beginning to work and the Government's economic policies are showing results. There are still many problems, but these problems are best solved by a Labour Government."

Pressure on Scottish nationalist MPs to drop their backing for Mrs Thatcher increased from two quarters. The Scottish TUC warned the nationalist parties that if they helped to bring down the Administration they would open the door to the most reactionary Tory government since the 1920s.

In a statement the STUC General Council said a defeat of the Government would be particularly catastrophic for working people.

It added: "They could shut the door on any possibility of meaningful development for a long time to come."

Mr Lawrence Daly, general secretary of the National Union of Mineworkers, also appealed to the Scottish nationalist and Scottish Labour Party MPs to drop their support for Mrs Thatcher.

Labour's parliamentary position will be discussed at this morning's meeting of the TUC General Council. Mr Len Murray, TUC general secretary, has issued a statement of support for the Government.

Welsh pressure: Mr George Wright, general secretary of the Wales TUC, sent a telegram to Mr David Thomas, Plaid Cymru MP for Merioneth, appealing to him not to vote with the Tories (the Press Association reports). Mr Thomas said: "We do not consider it our parliamentary responsibility to sustain a Labour Government that has broken its manifesto pledges to Wales."

Ulster Unionists try to squeeze out a few more drops of blood

By David Leigh
Political Staff

The eight Ulster Unionist MPs were split last night after a fierce party meeting during which Mr James Moynihan, their leader, and Mr Enoch Powell tried to persuade them to support the Labour Government today.

The Unionists abandoned the meeting after an hour and a half, while Mr Moynihan went to consult Mr Fook in the hope of improving the Government's offer. That consists of four more seats for Ulster in the Commons. Westminster sources say, and the vague prospect of devolution of some kind short of the old Stormont.

Later last night the UUUC MPs recovered in the party leaders' room to discuss Mr Fook's response. The prospects looked relatively bright for at least an Ulster abstention, provided the domestic pressure from the provinces does not prove too heavy for the MPs.

The Ulstermen did not get a series of demands on the table when they saw the Prime Minister earlier this week; they have been waiting to see what the Government might offer.

Plenary, on the security issue as well as other matters, they have not got what they consider enough. But what is crucial is that Mr Powell and Mr Moynihan do not want to bring the Government down. Nor for all the public tribulations of his statements does Mr Paisley, the third most important member of the coalition. Those close to the debate say he remembers keenly how the Unionists were treated under the Conservatives and how republicans prospered even to the extent of "no go areas" under Mr Whitelaw, for whom Mr Paisley feels the keenest antagonism.

That makes it likely that the other UUUC MPs will eventually come round, if a few more drops of blood can be squeezed out of Mr Fook and Mr Callaghan. Mr Fook also saw Mr Gerard Finn, the solitary representative of the predominantly Roman Catholic SDLP at Westminster. He normally votes with the Government, and Mr Fook has to take care not to offer any deal to the Unionists that would antagonize him too much.

Meanwhile Mr William Craig, the independent Unionist, has made his own offer to the Government. It had been assumed that he would vote against them, but he is now saying that he will not if they accept a scheme for devolution to Northern Ireland as well as Scotland and Wales.

He has also approached the Scottish nationalists, to whom Mr Callaghan wants out of his way to be friendly at question time yesterday, saying he hoped they could eventually be coaxed back into supporting Labour in Parliament.

The rebel Scottish Labour pair, Mr Sillars and Mr Robertson, also have an offer of support on the table, provided the devolution gullotine is resurrected this session and made a vote of confidence.

Sunday night's speculation last night that the devolution dimension, which is the main immediate cause of the Government's predicament, may turn out to be the key to renewing the life of the Government.

The Liberals are anxious to see the return of a strengthened devolution Bill, and a number of Labour MPs who opposed the gullotine are now prepared, having seen the outcome, to reconsider their position.

Survey of the ill and uncommitted

A survey of uncommitted and sick members of Parliament was carried out by The Times last night.

Mr Ken Prentice, Labour MP for Newham, North-East, had still not decided yesterday how he would vote, but it became clear that he was more likely to abstain than support the Conservative motion. He said he would support the Government only if there was a satisfactory deal with the Liberals.

Mr John Ryman, Labour MP for Blyth, has also reserved his position.

A spokesman for Mr Frank Maguire, the independent member for Fermanagh and South Tyrone, who usually votes with Labour, would say only that the MP "will give his answer at 10 o'clock on Wednesday night."

Mr Thomas Litterick, Labour MP for Birmingham, Selly Oak, who is seriously ill in hospital after a heart attack, will not attend to vote. His wife said: "He is extremely ill and there is absolutely no chance that he will turn up."

Mr Donald Anderson, Labour MP for Swansea, East, who is ill, will be able to support the Government.

Sir Alfred Broughton, Labour MP for Batley and Morley, who has been unwell, would certainly attend to vote for the Government, Lady Broughton said.

Mr Raymond Fletcher, Labour MP for Ilkeston, who also suffered a heart attack, said he was making good progress and would be at Westminster.

Party	Government votes	Opposition votes	Uncommitted
Labour	307		
Mr Prentice and Mr Ryman			2
SDLP			1
Mr Fook	1		
Mr Frank Maguire		278	
Conservative		17	
SNP		13	
Plaid Cymru		13	
Liberal Party			2
Ulster Unionist			2
Scottish Labour Party			13
Others			7
Totals	307	382	37

Mr Tom Litterick, too ill to vote, the Speaker, three chairmen and two secretaries account for seven non-voting seats.

Train drivers claim 'major breakthrough' in pay talks

By Our Labour Editor

Militant train drivers' leaders last night claimed a "major breakthrough" in wage bargaining after agreeing a phase two settlement that does not bind the footplate men to a year without wage improvements.

The executive of the Associated Society of Locomotive Engineers and Firemen (ASLEF) voted unanimously to accept a revised offer from the British Railways Board that gives rises of £2.50 to £4 a week and better sick pay. A clause stipulating that the agreement should run for twelve months from April 25 has been deleted under pressure from the drivers.

The footplate men's insistence that their agreement should not rule out the prospect of further increases when wage restraint rules are relaxed has already been cited by the miners as supporting evidence in the demand for TUC approval for a productivity deal starting in August, only five months after their phase two deal.

Mr Ray Buckton, general secretary of ASLEF, described the board's acceptance of its bargaining arguments as a major breakthrough.

The drivers' union has been a consistent opponent of wage restraint, and is now expected to carry its campaign against a restrictive new income policy into the heart of the TUC argument over phase three. In submitting the wage claim ASLEF said that if pay restraint was relaxed a 5 per cent increase consistent with present pay policy would be regarded as only an interim settlement, and it would be back for more when phase two expires at the end of July.

Charity protest over telegram to Liberal leader

The East Anglian Shelter housing centre yesterday disassociated itself from a telegram sent by six charities, including Shelter, to Mr Steel, the Liberal leader, on Monday.

The telegram said a government defeat tonight would kill the Housing (Homeless Persons) Bill, of which he is a sponsor.

Mr James Spurling, the East Anglian centre's organizer, said that Mr Stephen Ross, Liberal MP for the Isle of Wight and the Bill's main sponsor, and Mr Hugh Ross, Conservative spokesman on housing and land, had both made clear to him that its importance was recognized.

In a telegram of its own to Mr Steel yesterday the centre said the failure of Labour housing policy, which is making two hundred extra houses empty every day, was the main cause of homelessness.

Nationalists are only party in Scotland that would relish contest at the polls

From Martin Huckerby
Edinburgh

As the political parties in Scotland contemplate the possibility of an election a general election can be heard to the effect that the whole thing would be better if it could be postponed for a few more months.

Only the Scottish National Party looks forward to a contest with real relish. The other parties have responded to the possible challenge with varying degrees of vigour, but the underlying feeling is that none is ready for a general election now.

Both the Labour and Conservative parties have selected candidates for most constituencies and should have adequate funds to mount their campaigns. But they face great difficulties in other fields.

The weakness of the Labour Party in Scotland has been amply demonstrated by the nationalists, and the Labour Party in Scotland is in the middle of a complete change of national officers.

Although it emerged from its recent conference at Perth in apparently fine fettle, the unanimity of the delegates about devolution "concealed the lack of any real policy."

The Conservatives have been caught at an awkward time. They have been back-tracking their commitment to devolution, but have yet to formulate any new policy.

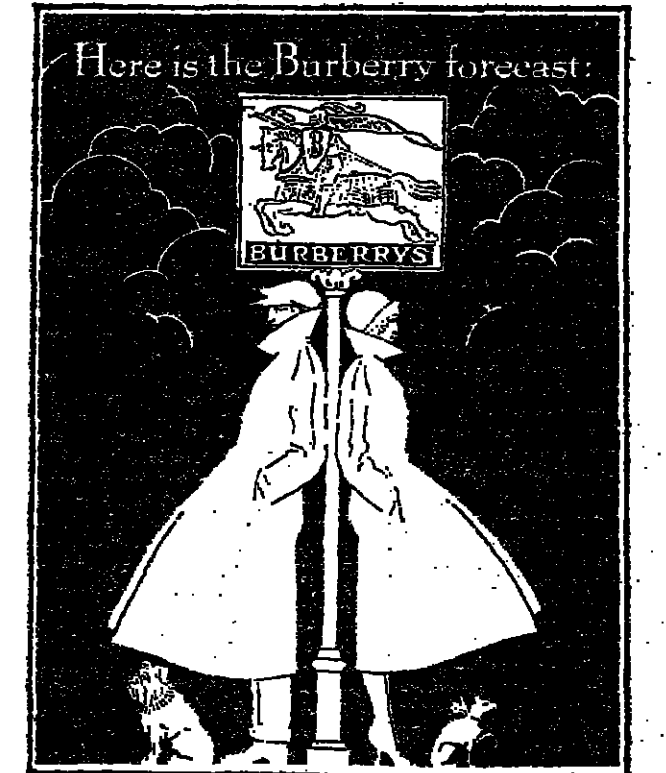
In an election campaign they are likely to simply admit that they are seriously split between those favouring a directly elected assembly and those, including the spokesmen on Scotland, Mr Edward Taylor, who are anti-devolution. Such frankness may be sensible but it will not necessarily satisfy electors wondering which way to vote.

The Conservative and Labour Parties will clash at a time of policy in common: they will be warning the Scottish people of the dangers of the SNP and the likelihood that a vote for the nationalists could lead to independence. Nor that such attacks are likely to worry the SNP, which will simply retort that the "Unionist" parties just want to keep all the power at Westminster.

The SNP is genuinely delighted at the prospect of an election, coming so soon after the defeat of the gullotine on the devolution Bill.

The Liberals are probably in the worst position: only 30 candidates have so far been adopted from a possible 40 or 50, and the party has been under heavy attack over its failure to support the devolution Bill gullotine.

The breakaway Scottish Labour Party is also ill prepared. It has been planning to field six candidates, but apart from its two existing MPs has chosen only one candidate for Aberdeen, North.



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Labour only halfway through the job, Mr Callaghan says

By George Clark
Political Correspondent

Mr Callaghan was still uncertain last night whether he could find a basis for agreement with the minorities to allow the Government to continue in office, but he was still trying.

Interviewed on the BBC Nationwide programme, he refused to disclose the offers he had made to the Ulster Unionists and the Liberals, but there was emotion in his voice when he emphasized how much he would regret having to call a general election and put at risk the economic policies upon which the Government had embarked.

He thought that with the North Sea oil flowing in and the prospect of agreeing a third stage of the wages policy with the unions, allowing flexibility for the protection of differentials and the granting of incentives the economy was on the verge of recovery.

Whatever happened when the confidence motion went to the

vote the Chancellor of the Exchequer would bring in a Budget: "I would want him to introduce a Budget to show people what can be done, given the present situation."

"Now, it is not all hair shirt. On the basis of the financial and economic policies we have followed, I can see a reduction in taxation. I see no reason why the Government, even if it is defeated tomorrow, on the basis of its past policy, should not bring that forward and say 'This is what we can do, if we are given the opportunity to do it.'"

"Yes, there will be, I trust, some rewards for middle management. Yes, there will be some recognition of the burden of taxation. Part of the cuts in public expenditure that we have made, in great pain and cost, will enable the Chancellor to do that."

Mr Healey was also talking about differentials with the unions in the context of the next wage round, telling them how he thought the difficulty caused by the squeezing of dif-

ferentials could be faced. "It is essential that we ought to have made quite clear by those who want to turn us out of office what their policy will be on this," Mr Callaghan said.

He wanted to see the Government continue in power, "because I think I can tell you we are only halfway through the job that we started on. Therefore, if I can find collaboration with any other parties in the House, then I am willing to do that, naturally on a basis that preserves both our self-respect and their self-respect. I am not going to ask them to do anything that I would not do myself."

"Whether we can do it or not I am not quite sure. If we cannot, then there will have to be a general election, which in many ways I would regret, not because I am particularly frightened of general elections, that is when the people speak, but because I think our policies have not yet been tested."

Mr Callaghan wanted to continue in the national interest: "I have said that consistently since I have been Prime Minister and that we have to have regard to these other issues."

He agreed that the Labour Party was haunted by the memory of Ramsay MacDonald and it usually withdrew from the prospect of a coalition. But his left-wingers would know that much of the Labour programme had now been put through.

"We have embarked upon an economic policy that in my judgment gives us the best possible chance of emerging," Mr Callaghan said, "if, for once, a possible coalition by his own party, if he forms too close a liaison with the Liberals for example."

Mr Callaghan said the Labour Government had received "tremendous votes of confidence" from other countries, including those who had given Britain financial backing.

"Internationally there is no doubt what people think about us and they believe we will win through if we stick to this policy," he said.

'No danger from asbestos' to rail passengers

British Rail disclosed yesterday that 7,000 of its 17,500 passenger coaches are fitted with blue asbestos insulation, a potential source of lung cancer.

But unlike the drivers' and guards' compartments, on which modifications are to be made, the insulation on these coaches all built before 1967, is sealed behind wall and ceiling panels, and "there is no danger whatever to passengers", British Rail said yesterday.

The disclosure came after a call for an independent inquiry into the National Association of Rail Passengers.

In the drivers' and guards' compartments the insulation is much more liable to exposure by ducts and removable panels, and £7m is to be spent on removing or sealing it over the next four years.

Radio outposts

The BBC is to open local radio stations on Orkney and Shetland on May 2.

Prime Minister's magnificent matinee

Continued from page 1

Industrial democracy West German style, "real devolution of power for Scotland and Wales and taxation powers direct elections to the European Parliament, and a look at the voting system", that is, proportional representation.

In other words, if the Labour Government wants to survive tonight on Liberal votes it must forswear socialism and turn to Liberalism. But that was not the end of the Liberal shopping list for power-sharing.

Mr Callaghan was also asked to commit himself to a formalized system of consultation between the Government and the Liberal MPs, much as the Government consults the TUC and the Confederation of British Industry; and those consultations would include economic policy and legislation.

Mr Thorpe added: "It is no good to be consulted on the fact that the Government are going to nationalize three more major industries. No, there has to be an indication that this Government will have the humility to realize that it is not the majority."

While the wheeling and dealing went on, Mr Callaghan put on a magnificent matinee performance during 15 minutes of Prime Minister's Question Time in the House of Commons. As he moved to the dispatch box the Labour rank and file cheered him to the echo, and gave him his cue to run a mocking eye over the opposition benches and content that he had hoped it would be unmanly.

If there were a deal with the anti-socialist Liberals, what about the Labour manifestos of 1974? Well, the Prime Minister answered, he had had occasion to reread the manifestos, and he gave his word that four fifths of them had been carried out.

Later, Mr Callaghan assured the House that, at tonight's vote, "normal service will be resumed pretty soon."

It was all designed to show that, faced with a crucial division on a confidence motion, the Prime Minister had not a cent of doubt and there was no better sign than that he was bag-ridden with cares and acting it up in the only possible way.

Nevertheless, Mr Callaghan's parliamentary display of confidence with the Liberal vote, the wildest backbench Conservative hopes. There is now a spreading sense that the Government can win tonight.

Leading article, page 17
Letters, page 17

Seventeen are remanded on fraud charges

From Our Correspondent
Bristol

Fourteen people were charged with fraud after dawn raids led by Scotland Yard detectives. They were remanded on £500 bail each until May 18.

The offences are alleged to have been committed while the people were employed by a company called Highest Heating Ltd. The charges allege misrepresentation in connection with applications for personal loans and relate to a period between 1972 and 1973. Further charges: Three more men were later charged with similar offences. They were James Terence Brown, aged 38, of Maidon Vale, London; Christopher Snowden-Mitchell, aged 42, of Herne Bay, Kent; and David Michael Saunders, aged 38, of Great Braxton, Essex.

They also were given bail of £500 each and remanded until May 18.

Safety code for divers working on offshore rigs

By Pearce Wright
Science Editor

Proposals to improve the safety of divers working on offshore oil operations were published by the Health Research Council yesterday. The Guidance notes for safe diving are based on recommendations of the European Diving Technology Committee, for training diving standards acceptable to medical experts, offshore servicing firms and health and safety agencies.

The committee held the first public discussion on the examination of diving practices in London yesterday. Introducing the committee's report Mr D. E. Lennard, a former naval officer, said more than 2,000 divers were working at peak times in north-west Europe.

Although many accidents were caused by human error rather than faulty equipment, he emphasized that the errors were not always attributable to the divers.

The diving practices examined by the committee, with repre-

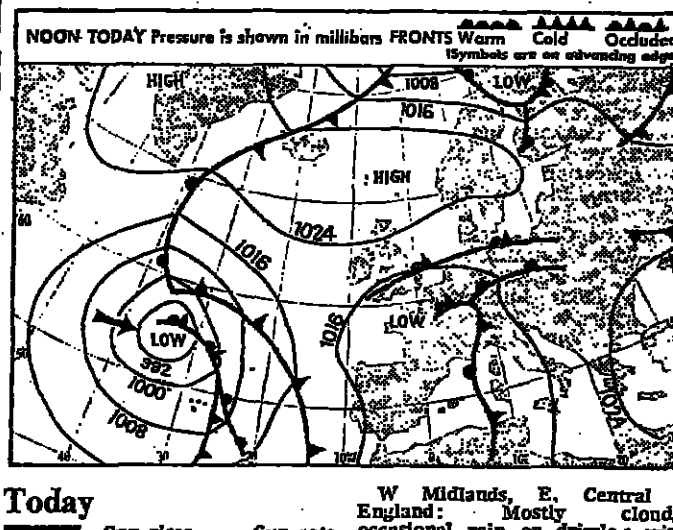
sentatives from medicine, industry and government, are divided into two parts. Shallow dives to 50 metres can be done breathing natural air, at greater depths various mixtures of helium and oxygen, or helium-oxygen and nitrogen, known as trimix, can be used.

The types of gas systems and the way in which they should be used raises some of the greatest controversy in diving work. Dr P. Cabarro, a French naval officer, described experiments starting in France to verify the safety of certain methods using trimix, which are not recommended in the report.

Dr Cabarro outlined developments for military divers that could be modified by commercial divers.

Mr P. Bullock of the Comex diving company said a special note was being made to be made in open water and for an industrial enterprise, was being prepared off Brest.

Weather forecast and recordings



NOON TODAY Pressure is shown in millions FRONTS Warm Cold Occluded (symbols are an advancing stage)

Today Sun rises 7.15 pm Sun sets 7.15 pm Moon rises 8.27 am Moon sets 11.27 pm First quarter: March 27 Lighting up: 7.49 pm to 6.25 am High water: London Bridge, 4.48 am, 7.50 am (23.8ft); 7.27 pm, 7.20 am (21.2ft); 10.26 pm, 10.20 am (21.1ft); Dover, 1.50 am, 6.7m (22ft); 2.5 pm, 6.5m (21.3ft); Hull, 9.6 am, 7m (23ft); 9.15 pm, 7m (23ft); Liverpool, 2.3 am, 8.5m (29.2ft); 2.16 pm, 9m (29.4ft).

A cloudy NE airstream covers most parts of the British Isles with troughs of low pressure moving slowly over central districts.

Forecast for 6 am to midnight: London, SE England, E Midlands, S. SW England, E Midlands, Channel Islands, S Wales: Rather cloudy, some brighter intervals, occasional showers: wind N, moderate; max temp 5°C (43°F). SE England, Bright intervals, occasional showers: wind N, moderate; max temp 5°C (43°F). NE England, Bright intervals, occasional showers: wind N, moderate or fresh; max temp 5°C (43°F).

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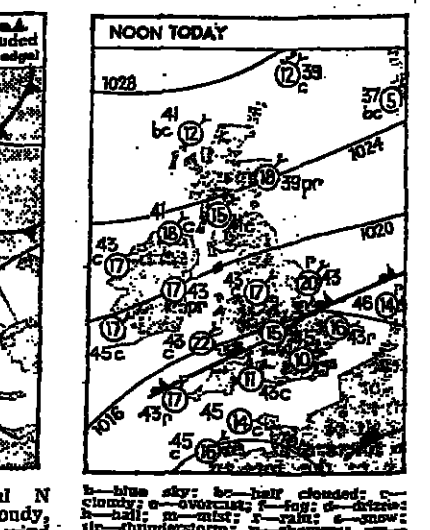
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HOME NEWS

Regional constituency plans for holding EEC poll on schedule

By George Clark
Political Correspondent

An appeal to the Government to adopt proportional representation for direct elections to the European Parliament in May-June, 1978, by the use of regional multi-member constituencies, was issued by an all-party group of MPs.

They hoped to influence the course of talks going on between Mr Callaghan and the minority parties about the Government's legislation programme.

The MPs are Mr John Mackintosh (Berwick and East Lothian, Lab), Mr Richard Wood (Bridlington, C), Mr Russell Johnston (Inverness, L), Mrs Margaret Bain (Dunbartonshire, East, Scot Nat), Mr Dafydd Wigley (Caernarvon, Pl Cymru), and Sir Nigel Fisher (Kingston upon Thames, Surbiton, C).

"We believe the impasse over direct elections to the European Parliament can be broken, the elections can be held on schedule and the result can be fair and sensible," they said. "We believe there would be wide support in all parts of the House of Commons for a regional basis for the elections outlined here."

They issued a map showing the 81 British seats in the European Parliament distributed in

this way: Greater London, 10; Home Counties, 14; South-west, 6; Wales, 4; west Midlands 7; east Midlands 5; East Anglia 3; North-west 9; Yorkshire 7; North 5; Scotland 8; and Northern Ireland, 3.

The English regions are the economic planning regions, except that the south-eastern planning region is divided into two: Greater London and Home Counties.

Using these constituencies would obviate the time-consuming and contentious process of drawing up 81 new constituencies for single member, first-past-the-post elections, the MPs say.

Regional multi-member constituencies, combined with any of several systems of voting, would ensure that a party's share of the seats in a region would be in close proportion to its share of the votes, the MPs say. Voting could be by:

X vote for a party with members selected from a regional party list.

X vote for candidate and party simultaneously.

Single transferable vote.

The MPs also point out that the regions correspond with the regional organization of the political parties, thus increasing the likelihood of an effective election campaign, and a good turnout.

Segregated schools protest in Ulster

From Christer Walker
Belfast

A new controversy is gathering momentum in Northern Ireland over question of religiously-segregated schooling, which major politicians regard as one of the main causes of continuing violence.

It began for this week when a group of Roman Catholic and Protestant mothers held what they termed a "prayer-in" outside Roman Catholic church in the normally untroubled town of Newtownards. The women members of a pressure group, All Children Together, are protesting against refusal by the Roman Catholic Bishop of Down and Connor, Philip, to confirm segregation of children because they did not attend Roman Catholic schools.

Among those taking part was Mrs Elizabeth Benton, a Roman Catholic wife from the predominantly Protestant seaside resort of Bangor. Her two sons were among a group of about 15 from the district refused confirmation because they did not state schools, which, in the society of Ulster are religiously segregated. Protestant children of religious families are sent to Catholic schools, while Catholic children of Protestant families are sent to Protestant schools.

All Children Together demands the Government should hold a conference to discuss ways of breaking down Ulster's religious barriers.

"The idea of having to demonstrate this way was very distasteful to us, but we believed it was necessary to attract attention to a very serious problem," Mrs Benton said yesterday. "We hope that Catholic bishops in the rest of Britain will note and help to bring to justice to an end."

Tribunal closes loophole in equality law

By Diana Es

A judge by the Employment Appeal Tribunal yesterday closed a loophole in the Equal Pay Act. It now means much more difficult for employers to get round the Act by arguing that variation in the pay of male and female workers is historical.

The court, which is binding on industrial tribunals in similar cases, could affect pay and status of thousands of women.

Report, page 9



Patu, a polar bear cub born on November 29 last year, with Mosa, his mother, at Whipsnade Zoo. He is Mosa's second cub.

Lord Pitt becomes first black leader of official race organization

By a Staff Reporter

Lord Pitt of Hampstead, who three years ago became the first black chairman of the Greater London Council, now becomes the first immigrant to head a national race relations body. He has been appointed chairman of the Community Relations Commission for the remaining weeks of that body's existence.

Lord Pitt, who has been one of the commission's two deputy chairmen, replaces Mr Mark Bonham Carter, who has told the Home Secretary that he wishes to retire on March 31.

Mr Bonham Carter, who has been working in race relations for 11 years, has made no secret of the fact that he was anxious to leave the commission for some time. He agreed to stay until this spring, however, in the expectation that the new Commission for Racial Equality would by then have replaced both the Community

Relations Commission and the Race Relations Board.

But only four of the 15 commissioners on the new body have been appointed so far; the 11 others are expected to be named within the next week. There seems, therefore, little chance that the Race Relations Act, 1976, under which the commission is being set up, will come fully into effect before late May.

Mr David Lane, chairman-designate of the new commission, said last night that it must win the consent and support of the whole population if it was to succeed. He told the community relations council at Bexley, Greater London, that Parliament had not intended the Race Relations Act to place minorities in a position of privilege.

The law was not meant to confer special advantages on minorities but to help remove some of the special disadvantages from which many members of minority groups suffered. The commission and the local community relations councils had to convince the sceptics that equal rights meant equal rights for all, and that fair treatment for minorities would not involve unfair treatment for others.

Mr Bonham Carter is to take up a full-time position as chairman of the independent Outer Circle Policy Unit, a post he has held on a part-time basis since September, when the unit was set up with a £50,000 three-year grant from the Revenue Trust.

The unit, which at present consists of only Mr Bonham Carter, Mr James Cornford, former professor of politics at Edinburgh University, and an assistant, researches and prepares memoranda on matters of public policy, such as devolution, the Official Secrets Act, and income tax reform.

New networks planned in BBC radio changes

By Kenneth Gosling

Scotland and Wales will have their own networks under plans for changes to BBC Radio. "They will be a fact and not just a caption in *Radio Times*," Mr Ian McIntyre, controller, Radio 4, said yesterday.

Radio 4 becomes national network on 1500m long wave at the end of next year and will be in full competition with the regions.

There has been criticism that Scotland and Wales had to take the Radio 4 output from London with regional "options", which is one reason for the success of commercial channels.

No timetable for the changes has been worked out yet. Mr McIntyre, announcing plans for Radio 4 until the end of the year, said: "It is not easy for the national regions but it is something they are beginning to work on."

Under Mr McIntyre's plans changes will be made to existing programmes and some new ones introduced. He gave a broad outline of his thinking in an exclusive interview to *The Times* last December. His main theme is diversification, loosely followed by competition.

"Competition is not a bad thing in broadcasting, both internally and externally," he said yesterday. "This will mean com-

petition between the output departments for a place on the network; religious programmes will compete on terms of professional merit."

There will be less emphasis on "chat" and more on considered, scripted contributions, good writing being the most important element. He also intends to make more use of the BBC's correspondents. "I want to hear more of them, and not just in news bulletins."

The most important changes are in news and current affairs, with the 6 pm news extended to half an hour, a reduction in "sequence" broadcasting, with *Today* going out in two 25-minute sections, and more current-affairs programmes.

Weekend programmes will be lighter, and include a magazine produced by the *Woman's Hour* team and an omnibus edition of *Kaleidoscope*, the arts magazine.

Some of the BBC's veteran radio programmes will be changed: *Desert Island Discs* gains five minutes to allow more music from the eight selected records, and *The Archers* moves to 7.5 pm on weekdays and its omnibus edition from Sunday morning to early evening. *Any Questions?* will lose one of its two repeats and *Any Answers* will lose its single repeat.

Tory students hold key to NUS elections

By Judith Judd, of The
Times Higher Education
Supplement

Conservative students almost certainly hold the key to next week's National Union of Students elections.

Although the Broad Left, the ruling group of Labour and Communist Party students, is sure to retain its hold on the union, Mr Charles Clarke, the retiring president, said yesterday that the Federation of Conservative Students would be an important force in the elections at the national conference.

He believed that Miss Susan Shipman, the Broad Left's candidate for president and a member of the Communist Party national executive, would have a hard fight against Mr Hugh Lanning, the candidate of the ultra-left Socialist Students' Alliance.

The votes of the Conservatives, who may have nearly 200 of the 800 conference delegates, will be crucial because the voting is by single transferable vote. The Conservatives' own candidate is Mr Steven Moon, of Birmingham University.

Aircrew will get their gratuities

Mr Mulley, Secretary of State for Defence, announced in the Commons yesterday that retirement for short-term aircrew officers will be paid after all.

Earlier this year the Government announced that it was to review a decision to commute into a pension, payable from the age of 60, the tax-free gratuity that some Royal Navy and RAF aircrew have been promised at the end of their short-service engagements.

After criticism that the Ministry of Defence would be in breach of contract if it did not pay the gratuities, Mr Mulley said the 450 officers affected would have the option after April, 1978, to leave after eight or 12 years' service with tax-free gratuities of £4,155 and £5,000 respectively.

Parliamentary report, page 6

Rabies precaution

Mr Joseph Timmins, of Royal Oak Lane, Hertfordshire, who was attacked by a pack of dogs in Egypt, is undergoing treatment at home as a precaution against rabies.

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HOME NEWS

Sale of council homes to tenants and more mobility of labour advocated to aid the North

From John Chatteris
Durham

The sale of council houses to tenants and the relaxation of local authorities' allocation rules are advocated in the latest plan for increasing the prosperity of the North of England. In its final report after two and a half years' work the Northern Region Strategy Team emphasises the need for increased mobility of labour as part of its aim to bring the region's high unemployment rates down to the national average and make it a more attractive place.

The team believes that by the 1980s the total housing stock in most parts of Northumberland, Durham, Cumbria, Tyne and Wear, and Cleveland will be in balance with the number of families wanting homes.

It says local authorities should give council tenants the chance to buy their homes. They should also substantially reduce the rate of new house building, to release financial resources for the creation of new industry and jobs.

It also suggests relaxations in local authorities' criteria of local residence for admission to council house waiting lists; and the establishment of a regional exchange bureau to help council tenants wanting to exchange accommodation with people in other areas.

The suggestions, made in a region where a high proportion of housing is council-controlled, would obviously be controversial, according to Mr. Fresson, Minister for Housing and Construction, who took the chair at a conference to launch the report in Durham yesterday.

Mr. Fresson, who is having to cut his visit short because of today's events at Westminster, added that he had always opposed any indiscriminate policy on council house sales. "To argue that one should either sell none at all or sell them all is nonsense," he said.

On that point, as on more than a hundred other recommendations in the report, Mr. Fresson said he hoped that there would be a "government response" by the end of the year.

All local authorities and other interested bodies in the North now have the opportunity to comment on the final report, which is in five volumes.

Another important recommendation in the report is for a change in the present system of paying government subsidies to new industries moving into the special development areas covering large stretches of Durham, Cumbria, Northumberland, and Tyne and Wear.

The team suggests the introduction of a new type of

"special employment premium" of about £1,500 for each new manufacturing job created in the region's worst affected areas.

The cost could be partly offset by eliminating the small differential in the rate of regional development grants payable in "special development areas" compared with that payable in the slightly less deprived "development areas," the team says.

Mr. Nicholas Segal, director of the team, estimated yesterday that the total extra cost of such a plan would be about £600 a year.

His team predicts that its policies could create about eight thousand extra jobs by the 1980s and that the total "regionally relevant" public expenditure in the North by 1985-86 would be about £2,560m at 1975 prices. That would be equal to the expenditure expected this year and next and less than that of 1975-76.

The team's eventual aim is to make the North self-sufficient. But several leading political figures at yesterday's conference were anxious that central government assistance should not be withdrawn too soon.

Strategic Plan for the Northern Region (Stationery Office, £17 for five volumes; £3.50 for main report only).

BBC pays damages for holiday criticism

Cosmos Air Holidays accepted "several thousands of pounds" damages and costs yesterday in settlement of a High Court libel action against the BBC over a programme which ridiculed a package holiday in Majorca.

Criticism about the holiday was accompanied by the theme music from the *Colditz* television series. Mr. Justice Melford Stevenson was told. The company sued the BBC, Michael Buerge, who edited the 1975 programme, and Valerie Singleton and Richard Stilgoe, two reporters.

Mr. Richard Hartley, QC, for Cosmos, said nearly half a million people travelled abroad each year through Cosmos. The programme purported to show viewers against pitfalls in choosing an hotel and resort from a brochure. The Cosmos 1975 summer brochure was given particular prominence.

One of the hotels selected for criticism and ridicule was the Torre Arenal at Arenal, Playa de Palma, Majorca.

The reporters made no complaint about the hotel's comfort or catering, but were scathing about its location and amenities, which they said were completely different from the descriptions given. They said the hotel was situated in the centre of a slum clearance area where children might be run over or struck on the head by falling tiles.

Mr. Hartley said Cosmos had prided itself on giving clients excellent value for money and for paying particular attention to the choice of hotels and resorts. Quite apart from the unjustified criticisms of the hotel and its amenities the company particularly resented the inference that it was guilty of offences under the Trade Descriptions Act.

The defendants now accepted that their criticisms were unjustified and unfair and had agreed to pay appropriate damages and costs.

Mr. John Prentice, for the defendants, said they regretted that the unwarranted suggestions were ever made and apologised for the embarrassment caused.

The judge agreed to the record of the action being withdrawn.

Budget preview 3: Increased strain on the Inland Revenue Tax-structure changes that would save staff

By Neville Hodgkinson
Social Policy Correspondent

Failure to let tax thresholds rise in line with inflated wages and salaries has greatly increased the strains on the tax collection and social security systems.

Thousands more tax staff have had to be employed to handle the new cases entering the system and to deal with a trebling of the number of taxpayers pushed by inflation from the standard rate to higher levels.

The fact that growing numbers of people on low incomes have been paying taxes that take them below the official poverty line has also meant increased numbers qualifying for benefit, and greater hostility towards those depending entirely for their income on social security.

A much-discussed scheme for taking care of the tax-benefit overlap, simplifying the system, relieving millions from the need to claim supplementary benefit, and curing staff, is the tax-credit system, proposed in 1972 by the former

Conservative government in a green paper.

The scheme, which was dropped by Labour, entailed setting tax credits against tax due, and to the extent that they were not used up, paying them positively as benefit. The cost, worked out on the basis that no one should lose because of the change, was estimated then at £1,300m.

Today, with the tax-benefits collision greatly intensified, and with one in 12 of the population depending partly or wholly on means-tested supplementary benefits, the cost would be £5,000m.

That would seem to rule out the scheme for the present, although an overhaul of the tax and social security system on tax-credit principles is promised by the Conservatives if they are returned to power.

Another strategy of reform which the Inland Revenue is studying, and which the Chancellor may have in mind as a long-term prospect, is to simplify the tax structure radically with the object of introducing a system of self-coding.

The essence is that the individual works out what he

ought to be paying and notifies his employer himself, rather than leaving it to the taxman.

Child allowances are on their way out, to be replaced by cash payments under the child benefit scheme, and the Government has said it intends to take life insurance relief off tax returns as a measure expected to be implemented in 1979.

Instead, the insurance companies will be required to collect premiums near of the relief, and claim the difference themselves from the Inland Revenue.

Mortgage interest relief might be simplified by restricting it to a single rate of tax, instead of adjusting it as the taxpayer moves into higher rates, or it could disappear in its present form, in whatever arrangements follow the present housing policy review.

Minor personal allowances such as those for a housekeeper or dependent relative might be abolished, perhaps with general relief sufficient to cover them provided by a raising of thresholds.

Those changes alone would save some 5,000 staff. Self-cod-

ing by this time a simple matter for most, would produce further large savings.

The system of cumulative taxation, by which each week's tax is adjusted to each week's income, might also come to be regarded as an unnecessarily costly luxury.

It could be replaced with a non-cumulative system such as the United States uses, involving self-assessment. The taxpayer could go through the year with a single hypothesis as to his level of earnings, and work out for himself whether there is any surplus or debt to be cleared up at the end.

Simplification of the tax system, and the return to the individual of direct responsibility for his tax affairs, might bring an important invisible benefit to Britain apart from cutting administrative costs.

Because of greater public awareness it could help to ensure that future Chancellors would find it far more difficult to let income tax receipts and public spending rise disproportionately during a period of inflation.

Call for law changes to give subnormal offenders more relevant treatment

From Our Correspondent
York

Changes in the way the law treats the mentally retarded were called for yesterday. Mr. Brian Campbell, a probation officer at Stoke-on-Trent, made a plea for "relevant treatment" for the subnormal.

Speaking at a conference at York University organized by the British Association for the Retarded, he referred to the recent case of a retarded man in his forties who set fire to rubbish because he thought it was a health hazard. When he appeared at the Crown Court, charged with arson, the judge had the alternative of sending him to a probation hostel or to life imprisonment. No hostel place was available and the man is now in prison.

Mr. Campbell said that was an example of the confusion that faces those who have to deal with the retarded within the present system of criminal justice.

A lack of adequate facilities and of desire to improve them often means that prison becomes the "dumping ground" for the retarded, he continued.

If children who break the law can be protected against prosecution because of their mental capacity, the retarded, whatever their ages, should be given similar consideration. Otherwise subnormal people might be trapped on a penal ladder from which there is no escape. Sometimes they might become the victims of sadistic prisoners.

An appeal against sentence had been lodged on behalf of the man who burnt the rubbish. Mr. Campbell said: "Our view was that this man was not a danger to the public, and with help and guidance from us over an indefinite period could have lived in his own home."

The judge obviously took the view that because we could not guarantee that the man would not commit a similar offence again he should not be among the community. But how can anyone guarantee a person's future actions?"

Earlier, the conference, attended by social workers, police officers and representatives of the courts and the medical profession, had heard a lecture by Det. Constable Stanley Hewitt of Staffordshire police, who called for more training for the police to help them to identify and be of more help to the retarded.

"Policemen should know how to handle such problems and I would welcome action like that on the Continent, where the police in several countries are introduced to the retarded, drug addicts and alcoholics to seek a better understanding of their difficulties."

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Allowances to be extended to 300 foster-children

The attendance allowance is to be extended to an estimated 300 handicapped children in foster-care. The extra cost will be about £200,000 a year.

The Government's move, announced in a written reply by Mr. Alfred Morris, Under-Secretary of State for the Disabled, fulfils a pledge given to the all-party disability group earlier this year. Mr. John Hannam, Conservative MP for Exeter, and Mr. Lewis Carter-Jones, Labour MP for Eccles, then agreed to withdraw a private members' Bill to extend the attendance allowance to fostered handicapped children, when the Government promised regulations to give effect to their proposals.

The regulations will be introduced shortly and Mr. Morris has promised that the allowances will start being paid no later than September 1. Attendance allowances, worth £12.20 a week for handicapped people needing attendance night and day, and £8.15 for others, are not subject to tax or counted in most means tests.

MPs who urged the extension were concerned that some handicapped children were being created differently from others and that some potential foster-parents might be deterred from taking a handicapped child needing close attention if the allowance was denied to them.

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Bogus business got £18,000 goods, court told

A man who set up a bogus business, with a £15 bank account obtained goods worth £18,000 from large companies, it was stated at Winchester Crown Court yesterday.

Alan Brookes, aged 47, of Pool Road, Leicester, who pleaded guilty to obtaining by deception, burglary and being equipped for theft and asked for 24 similar offences to be considered, was jailed for seven years.

Judge Starforth Hill, QC, commented: "Some companies must want their heads tested, accepting cheques from a man in an upstairs room with no references."

Cashier to appeal

James Montellier, a Sobo bookshop cashier, of Crewdon Road, Stockwell, London, was sentenced at Marlborough Street Magistrates' Court yesterday to two months' imprisonment for having obscene magazines for gain. He was freed on bail pending an appeal.

Man pretended wife he had killed was alive, court told

From Our Correspondent
St Albans

For years after a man had murdered his wife he sent her sister letters and Christmas cards purporting to come from them both and saying that all was well, it was stated at St Albans Crown Court, Hertfordshire, yesterday.

In fact her body was lying in a shallow grave in the garden of the bungalow where they had lived for the 18 years of their marriage, the court was told.

Ronald Chambers, aged 51, of Eaves Street, Blackpool, pleaded not guilty to murdering his wife, Mavis, in 1971.

Mr. Pierre Crowder, QC, for the prosecution, said: "This is the story of a man who came back one night and for some reason killed his wife with two stab wounds in the chest. Having killed her, he dug a shallow grave in the garden of the bungalow."

"Shortly afterwards he sold the bungalow and the greater part of its contents, and left the district."

Mr. Crowder said that in letters, which were sent in 1972, 1973 and 1974 to her sister, Mrs. Brenda Dickinson, Mr. Chambers had written to give the impression his wife was still alive and everything was well.

The court was told that Mrs. Dickinson, of Mangrove Road, Luton, went to the police after becoming suspicious about her sister's whereabouts. The police searched the house and garden of the couple's former home in West Hill Road, Luton, and the body was discovered by two highly trained Alsatian dogs.

Mr. Crowder said the couple married in 1953 but had no children.

The hearing was adjourned.

Woman, 84, murdered

Miss Margaret Moore, aged 84, was found stabbed to death in her basement flat in Ellington Road, Ramsgate, on Monday night. The police believe the motive was robbery.

Butchers are not profiteering, livestock chairman says

By Hugh Clayton

Allegations of profiteering by butchers were dismissed yesterday by Mr. George Howard, chairman of the Meat and Livestock Commission. "Inflated profits at the expense of livestock farmers. The price of

that butchers have had to pay," he said in London.

"I dislike very much hearing one sector of the industry accusing the other of profiteering."

It was simply not true that butchers had made excess profits at the expense of livestock farmers. The price of

English lamb had risen by less than a fifth in a year, while the price of sheep had increased by half.

"It is said that meat has become a luxury article. Taking the short term, meat prices have risen more slowly than those of other foods."

Mr. Howard defended the export trade in meat and livestock while admitting that at first it might affect shop prices at home. Eventually it would create a wider market for British livestock and benefit farmers and consumers.

Mr. Howard defended the export trade in meat and livestock while admitting that at first it might affect shop prices at home. Eventually it would create a wider market for British livestock and benefit farmers and consumers.

Fortunately, not everyone thinks about water supplies only when there's a drought.

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WEST EUROPE

Mr Jenkins faces censure motion for suspending EEC export subsidies on butter for E Europe

From David Cross

Luxembourg, March 22

Members of the European Parliament are to debate tomorrow a censure motion against Mr Roy Jenkins, the President of the European Commission, and his Commission colleagues for their recent handling of subsidized butter sales to the Soviet Union.

The motion, which has been tabled by the 47 French and Irish members of the European Progressive Democratic Group, criticizes the Commission for deciding to suspend export subsidies on butter sales to Eastern Europe. This move was not founded on any legal basis whatsoever and the Commission had consequently exceeded its powers, the motion alleges.

It also criticizes the Commission for having failed to consult the Parliament before acting and for its general mismanagement of stocks of agricultural products. The Commission can be held personally responsible for the disastrous management of stocks, it says.

After a full-scale debate during which the Commission is expected to defend its decision to ban temporarily butter sales to Eastern Europe, the motion will be voted on by MPs. If there is a substantial majority in favour, Mr Jenkins and his colleagues would have to resign.

However, support for the motion is limited mainly to French and Irish MPs, with powerful dairy farming lobbies. West German and British MPs, who traditionally support the interests of consumers, are unlikely to go along with the motion.

The debate on the censure motion during a special two-day session of the Parliament originally scheduled to discuss this year's farm price review, came as something of a surprise here.

It was generally expected that the motion would not be debated until the next regular session of the Assembly in April. However, French Gaullist members of the Progressive Democratic Group insisted that the censure motion should be discussed during the current session.

During today's opening session of the farm price debate, Mr John Silkin, the British Minister of Agriculture, and acting president of the EEC's Council of Ministers, emphasized the importance of taking consumer interests into account when farm prices are fixed.

"The voice of the consumer is being raised all over Europe," he said. "This Parliament and a Council of Ministers which tried to ignore it would be unrealistic."

The interests of the pro-

ducer and the consumer came to the same thing, he said. "Putting food into store or selling it outside the Community with the benefit of vast subsidies helps neither of them", he added.

Mr Silkin, who is seeking a virtual standstill on EEC farm prices this year, said there were large changes on the horizon to which the Community should be turning its mind. If Greece, Portugal and Spain became members of the EEC, as seemed likely, the Community's agricultural policy would have to be transformed to take account of an entirely different situation.

The Assembly was debating a draft resolution drawn up by its agricultural committee calling for farm price increases averaging 5 per cent this year. However, the European Commission's recommendation for a 3 per cent rise across the board is supported by the Parliament's budgetary committee.

When the resolution is put to the vote tomorrow, it will have an important bearing on the deliberations of ministers of agriculture of the Nine who are due to complete their price negotiations in Brussels this weekend.

With the exception of the British, most other EEC governments are calling for rises of more than 3 per cent.

Parliamentary report, page 6

Basques freed under wider amnesty

From William Chislett

Madrid, March 22

To shouts of "Gora Euzkadi" (Long live the Basque country) three alleged members of the Basque separatist organization ETA were today released from Carabanchel prison here.

They were among the first political prisoners to benefit from the Government's widening of its amnesty which came into effect last weekend and is expected to cover most of the estimated 178 remaining political prisoners, nearly all of whom are Basques.

A small crowd of about 30 people, family and friends had been waiting all night outside the old, grim prison in a working class suburb of Madrid. The three released were Señor Jon Kortabarría, Señor Gorroñu, Oslangia and Señor Pablo Gabikagoeaskoa Gayetebetia. The first two were arrested on November 4, 1975 in Oñate in the Basque country and were accused of illegal association and possessing arms.

Señor Gayetebetia was arrested in Madrid on September 18, 1975 during a nationwide police raid against ETA. No formal charges were brought against him and his arrest was in connexion with a wave of attacks.

Ironically the three prisoners were released on the seventeenth anniversary of the death in 1936 of Señor José Antonio de Aguirre, the President of the autonomous Basque Government. Meanwhile families of other political prisoners gathered outside various prisons in Spain awaiting news of their king. The amnesty is not expected to cover those directly involved in politically motivated crimes of violence, although this is not completely clear yet. To date about nine political prisoners have been released.

Unconfirmed reports are increasing that the Spanish Communist Party will be legalized by the Supreme Court by the end of this week. The court's verdict is expected by April 1. Officials at the party's headquarters are reluctant to commit themselves either way on the issue of legalization, but there is a definite feeling that it is a foregone conclusion.

As the Government has now announced its electoral law—although the exact details have yet to be published—observers believe that it is anxious to solve the Communist problem as soon as possible and so open the way for electoral campaigning without discrimination. Most parties, particularly the neo-Francoist Popular Alliance, have already started their campaign but the Communists are still having their meetings banned.

Mr Kosygin begins visit to Finland

Helsinki, March 22.—Mr Kosygin, the Soviet Prime Minister, arrived here today for a five-day official visit to include talks with President Kekkonen that are expected to focus on expanding economic ties and defence and political issues.

Mr Kosygin will attend the inauguration tomorrow of Finland's first nuclear power station, built at Loviisa, east of Helsinki, with Soviet assistance.

The talks between the two leaders are expected to centre on the projected 15-year trade agreement between the Soviet Union and Finland, and the review in Belgrade next June of the results of the 1975 Helsinki security conference. —Reuter.

Biscuit firm owner is kidnapped

Milan, March 22.—Signor Paolo Lazzaroni, the owner of Italy's oldest and best known biscuit company, has been kidnapped in Milan, police disclosed today. He is the nineteenth person kidnapped in Italy so far this year and the sixth this month. —A.P.

3,000 pigeons face the guillotine

Rome, March 22.—Between 3,000 and 4,000 sick pigeons are facing the guillotine in Siena. A municipal ordinance says beheading must be used, followed by the cremation of the bodies in the municipal incinerator.



Mr Roy Jenkins with Queen Juliana at Soestdijk palace yesterday.

Dutch want delegate of Nine at summit

From Our Correspondent

The Hague, March 22

Mr Roy Jenkins, the President of the European Commission, ended his visit to the Hague today after an audience with Queen Juliana. In a statement he noted with satisfaction the Dutch Government's support for his position that the EEC as a whole should be represented at the forthcoming Western economic summit in London.

France is the main opponent of this standpoint, arguing that since no decisions will be taken in London it is sufficient for France, Britain and West

Germany to represent the Community, and that the presence of Mr Jenkins and representatives of the smaller EEC countries is not required.

Mr Jenkins said that he and Mr Joop den Uyl, the Dutch Prime Minister, shared the view that the EEC should be represented in London by the British Foreign Minister, in his capacity of chairman of the Council of Ministers, and by himself as President of the European Commission.

Mr Jenkins added that the final decision would have to be taken at the end of the week in Rome, where Europe's

leaders meet to mark the anniversary of the signing of the Rome Treaty.

The Dutch Parliament has urged its ministers to boycott the Rome meeting if an invitation to the London summit is not forthcoming.

The Dutch Finance Minister has even threatened to withdraw some of Holland's extra contributions to Community funds if the small countries are excluded from the summit.

Mr Jenkins preferred not to talk about possible reprisals, but confirmed that we "see entirely eye to eye with the Dutch on this issue".

Andreotti plea for prudence as Rome strikes

From Our Own Correspondent

Rome, March 22

Signor Andreotti, the hard-headed Prime Minister of Italy, expressed the hope today that in the present difficult situation no one was making the mistake of thinking in terms of a trial of strength between the Government and the trade unions.

He emphasized the need for prudence in an interview which was published on the eve of a general strike in Rome and the whole Lazio region. Industry, agriculture, schools and public offices are due to be idle all day tomorrow. Cinemas and theatres will close and public transport will stop for several hours.

Shopkeepers have decided to close their businesses in a separate protest against the growing number of violent attacks on them in the city.

The Prime Minister's main point in his interview was that the life expectancy of his Government was of only relative importance. What counted, he said, was that the threat of a minimum of co-operation among the democratic parties should not be broken without there being first the certainty of something better to follow.

This idea of prudence marked Signor Andreotti's talks today aimed at winning the support of the Parliamentary parties, which help to keep his minority administration afloat, to reduce labour costs.

Mrs Hart resumes battle with French over aid

From Michael Hornsby

Brussels, March 22

Mrs Judith Hart, the Minister for Overseas Development and among the most unrepentant of British anti-Marketters, returned to the European stage today after a break of two years to take the chair at a meeting of EEC ministers responsible for aid to developing countries. She quickly found herself in a tussle with the French who were opposing a Commission proposal which would establish a permanent legal basis for aid to countries in Asia, among them Malaysia, India, Pakistan and Ceylon, and in Latin America which are not associated with the EEC in any formal agreement.

This has always been a matter

of concern to Britain, who was given assurance on accession that attention would be given to bringing Asian Commonwealth countries within the web of the Community's trade and aid agreements with developing countries.

As in the past, the French today opposed putting aid to the non-associated states on a permanent footing, insisting it should be decided each year.

In the 1977 budget, the Commission, backed by the European Parliament, has proposed expenditure of 45 million units of account (£18.7m), but this was to be coupled with agreement on a framework for such aid. Now it appears that this part of the proposals at least will have to be dropped.

Nine in accord on VAT

From Our Own Correspondent

Brussels, March 22

Finance and budget ministers of the Nine were to sign a declaration of agreement on the question of which items should be subject to or exempt from value added tax (VAT) for the purpose of calculating payments to the EEC budget.

One or two minor reservations remained. Speaking at a press conference after tonight's meeting, Mr Robert Sheldon, Financial Secretary to the Treasury, who was in the chair, said that the EEC's full "own resources"

budgetary system should now be in operation "if all goes well by the target date of January 1, 1978".

The introduction of "own resources" would enable member governments to finance EEC activities automatically without the present recourse to direct contributions from national exchequers.

It is intended that from the beginning of 1978 these direct contributions should be replaced by revenue equivalent to up to 1 per cent of VAT levied on all agreed list of goods and services throughout the Community.

triumphantly, vindicated by M. Chirac's success in Paris. "In order to win (in 1978)", M. Chirac said, "the leaders of the majority must realize that theories of a shift of the centre of gravity, of a change of majority, are now quite absurd and out of season."

The least that can be said is that their partners' analysis of the reasons for the majority's defeat differ substantially and that Giscardians and Centrists show no inclination to accept the verdict that only the Gaullist leader's drive and determination prevented defeat from turning into disaster.

M. Jean-Pierre Fourcade, the Minister for Construction, and the leader of the *Progressives et Réalistes* club, intellectual calls of Giscardism, declared on the radio yesterday that the President had no reason to change his strategy.

"There are a number of voters who believed in the effectiveness of the liberal policy of the President, and now begin to doubt it and

believe in the effectiveness of the common programme (of the left). It is that fringe which will be the touchstone of success in 1978. For it, primitive anti-communism and bandies of slogans are inadequate", he added.

The Giscardians' rejection of M. Chirac's strategy of confrontation with the left is only one of the obstacles to a common programme of the majority. Others are veiled suggestions from their quarter on the night of the elections that the majority voting system was partly at fault.

For years it had worked to the advantage of the Gaullists. Now it is beginning to work in favour of the opposition. The only remedy would be a change of proportional representation next year. But this is even more anathema to the Gaullists than the Government's plans for direct elections to the European Parliament on ratification of the new rules of the International Monetary Fund.

Gimmicks will not save French Government

From Charles Hargrove

Paris, March 22

A minister is quoted by one of the Paris dailies this morning as saying that the Government's preoccupation is to discover a gimmick which will bring back to its fold the 2 per cent of the popular vote that deserted it for the left in the municipal elections. But a gimmick will not be enough.

Sacrificing the seven ministers who were beaten at the polls would not be convincing, although tomorrow's Cabinet meeting may produce a reshuffle, which many observers consider inevitable, to demonstrate the Government's determination to make a fresh start, with an eye on next year's Parliamentary elections.

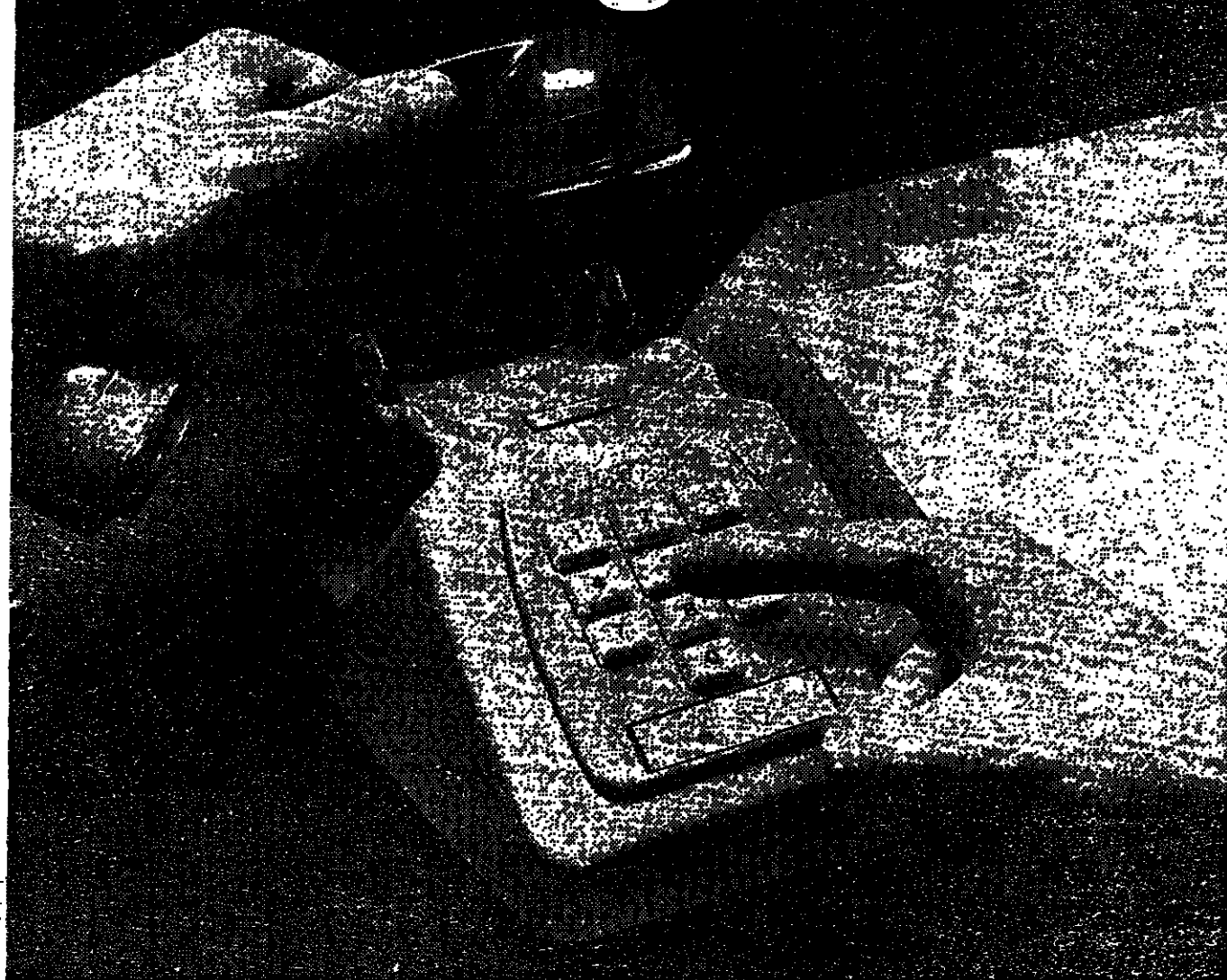
What the government majority needs is a common programme and strategy of its own, to match the undeniable power of attraction which the common programme of the left has had on a large

number of voters in the shifting middle ground of the electorate. That if not in so many words, is the recipe of M. Jacques Chirac, the leader of the Gaullist *Rassemblement*, and the elected mayor of Paris. "We must alter our tactics, single out the enemy more clearly and fight the same kind of battle as he fights against us", he said yesterday.

For a start, the Gaullists' way of thinking, their Giscardian and Centrist partners must acknowledge the error of their ways and abandon their persistent attempts, since President Giscard d'Estaing's election nearly three years ago, to undermine the dominant position of the Gaullists in the government majority. The most recent attempt was to put up M. Michel Orsano, the Minister of Industry and a close friend of the President, as a candidate for the post of mayor of Paris.

The Gaullists believe that they have been clearly, if not

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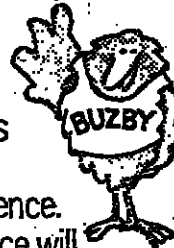
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OVERSEAS

Carter plan proposes sweeping changes in US electoral laws

From Patrick Brogan, Washington, March 22

The American Government today announced proposals for a reform of the electoral laws. These would make registration to vote far easier, would abolish the electoral college system and provide for financing congressional elections out of public funds.

In a message to Congress, prepared with the assistance of congressional leaders, President Carter also recommends simplification of the existing laws on the public financing of presidential elections and an amendment to the Hatch Act, which now forbids civil servants from taking part in politics.

The most important of these reforms, and the one which will be most difficult to get through Congress, is the proposal that the Government should pay for the elections of senators and representatives. Paying for presidential elections this way would mean that the reform would be subject to the Watergate affair, but congressmen succeeded in preventing any such reform of their own elections. The present system enormously favours incumbents, who find it far easier to raise money to defend their seats than unknown rivals do to challenge them.

The same coalition which defeated reform two years ago will be mustered again this time. President Ford, a former congressman himself, did not support the proposal and the addition of the weight of the presidency to the reform movement will undoubtedly help the cause now.

Proposals to reform the system of presidential election have been common since the earliest days of the republic. Under the constitution, voters chose electors who in turn vote for the President. The idea was

that the wisest would be chosen to select the best man for the presidency, but in fact the system never worked, even in the days of George Washington. The three occasions in the nineteenth century the candidate with most popular votes was defeated by a rival who accumulated more electoral votes and the same result has been narrowly avoided several times recently — including last November. If Mr Ford had carried Ohio and Hawaii, and he was only about 12,000 votes short of doing so, he would have won the election and would still be President, even though Mr Carter won nearly two million votes more than he did.

This is because the candidate with the most popular votes in a particular state takes every electoral college vote there. The constitution deliberately gives a considerable advantage to states with small populations to get one electoral vote for every senator and congressman, which gives Alaska three votes for 88,000 voters and California 45 for eight million.

Now Mr Carter proposes that future presidents should be elected directly, and without any weighting towards small states. This will need a constitutional amendment. It should get the two-thirds majority needed for ratification, but the process will obviously be protracted.

The President has submitted a Bill to Congress which would allow voters to register, if necessary, at the polling booths. This is a system working in four states, where voter turnout ranges between 65 and 77 per cent, compared with a national average of about 55 per cent.

Mr Vorster in new talks on press bill

From Our Correspondent Cape Town, March 22

Leaders of the South African newspaper industry met Mr Vorster, the Prime Minister, for discussions on the Newspaper Bill again today. They agreed to continue the talks tomorrow.

The Newspaper Bill, due for its second reading in the House of Assembly on Thursday, provides for a state-drafted code of conduct and a largely state-appointed press council with powers to fine journalists and close newspapers for unspecified periods.

About-turn in Moscow opinion of Mrs Gandhi

Moscow, March 22—The Soviet Government newspaper Izvestia today attributed Mrs Gandhi's election defeat to "mistakes and excesses" committed after the introduction of the state of emergency in India two years ago.

In a report from Delhi it also blamed the Congress Party for what it called refusal to cooperate in most Indian states with the Moscow-aligned Communist Party of India (CPI). This, it said, played into the hands of the opposition.

This criticism of the way laws were enforced during the state of emergency was the first observers could recall seeing in the Soviet press. Mrs Gandhi's emergency measures were previously approved and welcomed here.

Always portrayed here as one of the Third World leaders closest to the Kremlin, Mrs Gandhi had enjoyed consistent support from the Soviet press during the election campaign. Last week, for instance, the party daily Pravda, said her Government was supported by "the imposing successes India has achieved in the years of independence and especially of late".

Belgrade, Yugoslavia's leaders were said to be perturbed at the defeat of the Congress Party which helped to found the non-aligned movement 16 years ago.

In two months President Tito has seen his ally, President Sadat of Egypt, threatened by riots blamed on Communists, and now Mrs Gandhi thrown out of office, while the Soviet Union has been embarking on a diplomatic thrust in central and southern Africa.

The non-aligned movement and possibly Yugoslavia's international tactics, could be profoundly modified if American influence, already established in Egypt, were to return to India.

The widely read Jang said the people of India had demonstrated a preference for democratic values and a rejection of personality. What had damaged Mrs Gandhi most was her recourse to emergency powers to curb civil liberties and the voice of dissent.

Colombian Mrs Bandaranaike, the Sri Lanka Prime Minister, would make no comment on the downfall of Mrs Gandhi, for whom she has expressed admiration in the past. Reuters, AP and Agence France-Presse.



A sad smile from Mrs Gandhi as she arrived for a Congress Party meeting yesterday.

Gandhi comeback forecast

Continued from page 1

the break with the Nehru family — even in Delhi where the people elected only Janata candidates. There is anxiety about what kind of government the Janata party under the 82-year-old Mr Morarji Desai could provide. People seem eager to put the blame on Mrs Gandhi's coterie of ministers and hangers-on and on her son Mr Sanjay Gandhi. She is now paying for their excesses, they say.

Mr Sanjay Gandhi, today announced he is quitting active politics and intends to devote himself to what he called "quiet constructive work". He added that he was "sorry if what I did in my personal capacity has recoiled on my mother, whose life has been spent in selfless service".

In a statement issued a few hours after her resignation, Mrs Gandhi conveyed her good wishes to the incoming government, promising "constructive

cooperation" in common national tasks.

The collective judgment of the Indian people must be respected, she declared. "My colleagues and I accept their verdict unreservedly and in a spirit of humility."

"As I take leave of you as Prime Minister, I should like to express my gratitude to the millions of men, women and children who have given me their trust, cooperation and even deep affection over the years. My love and concern for the welfare of every section of the people remain unchanged."

The text of her letter of resignation had been brief: "Beloved President, Consequent on the announcement of the results of the general elections, I tender my own resignation and the resignations of the Council of Ministers. I am grateful to you for the confidence you have consistently shown to me and my colleagues. Yours sincerely, Indira Gandhi."

The President in an even tighter-lipped reply only thanked Mrs Gandhi "for the services rendered to the nation by her and her ministers."

By this afternoon the Janata (People's) Party had secured, with its Congress for Democracy ally, 293 seats in the new 52 Lok Sabha (Lower House) with its Marxist-Communist election allies bringing in another 22 seats. Support is also promised from half a dozen small opposition groups from various states. Congress trailed with only 145 seats.

The departure from office of Mrs Gandhi raised instantly today the question of what had gone so disastrously wrong in that relationship with the Indian people which she inherited from her father and re-born for herself alone in the so-called "Indira wave" election of 1971. The facts were unavoidable. As a final, cruel blow today, she returns from the Congress bastion state of Uttar Pradesh came in, showing all 85 seats had gone to Janata.

In one word, what had gone wrong was the emergency. The emergency meant the arrogation, brutality and corruption of officials and police. Not only did it debauch India's love of democracy, but rampant favouritism bankrupted Mrs Gandhi's socialist pretensions.

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Independent Djibouti keeps French troops

From Paul Martin, Paris, March 22

France will maintain her naval base and Foreign Legion forces in Djibouti after granting independence to the strategic territory at the mouth of the Red Sea in June. This French presence, which is the only remaining Western hold in the Soviet-influenced Horn of Africa, is understood to have been one of the key elements in the successful independence talks just completed in Paris.

The talks between the French Government and representatives of the Territory of Afars and Issas, resulted in an agreement to hold legislative elections in May, to be followed by the independence proclamation a month later. The future of the territory and the role France will play have been of great concern to pro-Western countries in the area — foremost among them Saudi Arabia — which fear the spread of Soviet influence.

During President Giscard d'Estaing's state visit to Saudi Arabia earlier this year France's intentions in Djibouti were closely questioned by the Saudi leaders. The French President was then understood to have given an assurance that France would work for a smooth transition in Djibouti but would not abandon its military "obligations" in the territory.

Talizi, North Yemen, March 22—Four Red Sea heads of state opened discussions here today with the aim of ensuring peace in the Red Sea area.

President Salem Robaye Ali of South Yemen, told the press: "We must make the Red Sea into a region of peace. The state borders on the Red Sea are anxious to preserve security so that neither

imperialism nor Zionism can get control of this region."

Meeting in the large town of Talizi, 120 miles south of the capital, Sanaa, were Mr Gasfar Nimery, President of Sudan, Mr Robaye Ali, General Muhammad Siad Barre, the Somali leader, and Mr Ibrahim Alhamdi, the host head of state.

There was no explanation of an announcement in Sanaa earlier today that General Siad Barre would not be taking part in the summit will be discussing the coming independence of Djibouti to which Somalia has long laid claims.

However, Somalia's presence at the summit must also be viewed in the light of North Yemen's political closeness to its feudal neighbour Saudi Arabia, and Sudan's increasing conservatism.

Both President Robaye Ali's statement and a warning from Mr Abdallah al-Asnaji, North Yemeni Foreign Minister, before the conference of Ethiopia which has recently shown concern about Arab control of the Red Sea, observers said.

"The Red Sea is Arab," Mr al-Asnaji said. However, he added, "That is not directed against any state and North Yemen will not be the theatre for international conflicts."

Today's summit opened at a time when the whole area is tense. Relations between Ethiopia's military rulers and the state's hereditary monarch, Haile Selassie, are particularly strained. Ethiopia's breakaway Eritrea province, have become increasingly worse. The coming independence of Djibouti, meanwhile, threatens the Eritrean lifeline to the sea along the rail link to Djibouti. — Agence France-Presse.

Lone anti-royalist unable to catch Queen's eye

Adelaide, March 22—A demonstrator staged a one-man republican protest here today during a function attended by the Queen. Waving a flag and shouting anti-royalist slogans, he got to within 20 yards of her before being subdued by police.

Mr Don Dunsan, the South Australian state Premier, who was making a speech, glanced briefly at the demonstrator. The Queen ignored him, and the Duke of Edinburgh smiled.

Before the Queen arrived to open part of the Adelaide Festival Centre, a larger demonstration took place involving about fifty people. They were protesting that a sculpture designed by a West German, which is on permanent display at the centre, should have been the work of a local artist. The protest did not affect the official ceremony.

At the opening, the Queen made the only official address of her Adelaide tour, noting the impressive growth of the city since her last visit 14 years ago. She later attended a state reception in the Festival Theatre. She and her husband are due

to leave for Port Moresby in Papua New Guinea tomorrow. Secretary of State Mr Gough Whitlam, the former Labour Prime Minister, told a state court in Sydney that he had never investigated press reports of a romantic attachment between his deputy, Dr Jim Cairns, and Miss Margaret Moros, Dr Cairns's secretary.

Mr Whitlam, now leader of the Opposition, since his dismissal by the Governor-General, was giving evidence in a defamation action brought by Miss Moros, aged 43. She is claiming damages from the Australian newspapers over a cartoon and nine articles which appeared in 1974 and 1975. Mirror Newspapers Ltd, which published the material, is defending the action.

"I was quite satisfied Dr Cairns was going to tell Miss Moros (his secretary) because of her efficiency," Mr Whitlam said. But he admitted that the political scandal which arose over the appointment had damaged his Government.

Mr Whitlam denied ever ordering Dr Cairns to dismiss Miss Moros. — Reuters.

Argentine group's appeal for freeing of detainees

From Our Correspondent Buenos Aires, March 22

An Argentine human rights group, including prominent politicians, churchmen, former parliamentarians, university professors and professional men, has appealed to President Videla to free all prisoners held without charges by the military government.

In a letter to the President published today, the Permanent Assembly for Human Rights also asked him to publish a list of all those held, indicating their places of detention, as "the only way of dissipating the painful and prolonged agony of thousands of families who do not know the whereabouts of their loved ones."

Since the military coup a year ago, the military Government has refused to state how many prisoners it is holding, citing reasons of military secrecy.

The appeal to President Videla said the release of prisoners held without charges was a "deeply rooted national aspiration, expressed by all social classes."

three Roman Catholic bishops, a Methodist bishop and two former senators.

The Permanent Assembly for Human Rights, a group of prominent citizens established last December, is chiefly concerned with attempting to trace the hundreds, perhaps thousands, of people who have disappeared during the past year after being abducted from their homes or in the streets by groups of armed men identifying themselves as members of the armed forces.

Some members of the group claim that many thousands of Argentines have disappeared in this way, but so far they say they have lists of only 600 fully documented cases.

The group employs some 15 lawyers to try to trace what it calls *los desaparecidos* (the disappeared ones) through petitions to military and government authorities. Habeas corpus pleas have been published in some Buenos Aires newspapers, but according to informed sources, the newspapers concerned have now been told by the Government to stop publishing the lists, and they have stopped appearing during the past week.

Israeli riddle of actor and general's Ecuador role

From Eric Marsden, Jerusalem, March 22

Israelis were faced at their breakfast tables with the riddle of what the actor Haim Topol was doing in Ecuador in company with "Gandhi".

Front-page report in the independent daily Haaretz claimed that Mr Topol had arrived in Quito with his friend Major-General Rehavam Zeevi and two other unnamed Israelis and that they had offered to supply the Ecuadorian Government with sophisticated equipment and advisory services on war against internal and other terrorist activities.

This had been disclosed, it said, in a report to Jerusalem by Mr Sima Ronen, the Israeli ambassador. General Zeevi, popularly known as "Gandhi" in Israel because of a youthful addiction to the Dhoti, was until recently adviser to the Israeli Prime Minister on counter-terrorism.

The Prime Minister's office confirmed that it had received a report that General Zeevi, Mr Topol and their friends had arrived in Ecuador without the embassy's knowledge and had told an Ecuadorian minister they were owners of a small company for supplying equipment

and counsel on fighting terrorism.

The report added that the minister was aware that General Zeevi had been the Israeli Prime Minister's adviser on counter-terrorism, and had asked the ambassador about the general and Mr Topol.

On consulting Jerusalem for instructions, the ambassador was told to inform the Ecuadorian minister that they were "private persons".

Brigadier-General Ephraim Piron, the Prime Minister's military secretary, was asked to comment by Haaretz. He said that General Zeevi was on leave after giving up his post as adviser on fighting terrorism but was still receiving his state salary. Officials were unable to explain Mr Topol's role.

The Israeli Government was recently rebuffed in its attempt to sell 24 of its home-made Kfir interceptor aircraft to Ecuador. The United States Government vetoed the deal on the ground that it re-exported American technology to a country which the United States does not wish to have supplied with advanced weapons. Israel is seeking alternative markets for the Kfir.

Drought action in China

Hongkong, March 22—Millions of people have been mobilized to overcome the serious drought in China, provincial radio stations disclosed last night—Agence France-Presse.

£9m for Jordan

Amman, March 22—Britain will grant Jordan a £9m credit under an agreement signed here. It will be used towards financing several projects in the Jordanian five-year plan ending in 1980.

Critical test over South Africa

From Peter Strafford, New York, March 22

The Security Council began a debate last night which is regarded as a critical test of the new American policy towards Africa. The subject was South Africa, and the African countries made it clear that they would be pressing for a sign of a shift in the position the Americans have taken at the United Nations in the past.

Mr Leslie Harriman, the Nigerian representative, who is chairman of the African group at the United Nations, called on the United States, Britain and France not to repeat the vetoes which, he said, had protected the South African regime. Effective measures were needed, he said, to deal with the grave situation in South Africa.

All the ingredients which were needed for change in Southern Africa were there, Mr Harriman said. Those who have helped and continue to assist the liberation process in Africa are automatically friends of Africa. The corollary is also valid. Those who do not are not.

Exactly what the Africans will demand is still not clear. Mr Harriman spoke of the

demand they have made in the past for the declaration of a mandatory arms embargo, which has been vetoed more than once by the three western powers, and pointed out that the General Assembly had called for the passing of such a resolution by the Security Council.

But though the Africans have announced that they intend to present four resolutions before the Council, none had been tabled as the debate opened. The expectation was that negotiations would go on behind the scenes in an attempt to resolve differences.

At the centre of it all is Mr Andrew Young, the new American representative, who is himself black and has a close rapport with President Carter. Mr Young has in the past made clear his support for the aspirations of blacks in Southern Africa but it remains to be seen how far he is restricted by instructions from Washington.

Not the least of the complexities is the fact that both Britain and France would be reluctant to see the adoption of a mandatory arms embargo. Britain has always regarded such a measure as the first step towards economic sanctions,

which it considers it cannot afford, while France, sells weapons to South Africa.

Mr Young is the present chairman of the Security Council. As the debate opened, several speakers spoke warmly of the attitude that he and President Carter had adopted towards Africa, and one of them addressed him as "brother". But these eulogies were followed by stiff demands for western support.

A point on which last night's speakers laid particular emphasis was investment by western countries in South Africa, and the need to end it. Mr Harriman said that western investments were being used to build up the South African armed forces, because of the imbalance in the South African budget.

The western community, he said, was becoming more and more involved in the destiny of South Africa. For instance, American investment had risen from \$26m (£16m) in 1961, the year of the Sharpeville riots, to more than \$1,600m now; West German investment had risen from almost nothing to more than \$1,000m and that of France from less than \$200m to almost \$1,000m.

Korchnoi defeats Petrosian to take chess lead

Lucca, March 22—Viktor Korchnoi, the émigré Russian grandmaster, today won the eighth game in his world chess championship quarter-final against Tigran Petrosian, the Soviet former world champion.

With only four games left to play in the 12-game match, Korchnoi now leads by a point in Rotterdam. Lajos Portisch of Hungary beat Bent Larsen of Denmark to take a 5-3 lead.

In Lucerne, Lev Polugaevsky of the Soviet Union and Henrique Mecking of Brazil drew their ninth game. In Gijón, Boris Spassky, the Soviet former world champion, and Vlastimil Hort of Czechoslovakia were level after 10 games, Hort having won the tenth game on Sunday. — Reuters.

Bail declined

King William's Town, South Africa, March 22—Mr Steve Biko, the honorary president of the Black People's Convention, declined bail today after appearing in a court here on charges of defacing the ends of justice.

Cable received 15.3.77

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مكتبة الناصر

Mr Podgorny facing delicate task in southern Africa visit

From Nicholas Ashford, Dar es Salaam, March 22

Mr Nikolai Podgorny, the Soviet President, arrived in Arusha, northern Tanzania, this afternoon for the start of a 10-day visit to Tanzania, Zambia and Mozambique, three of the "front line" states in the guerrilla war with Rhodesia.

Accompanied by a 120-member delegation, he is the first Russian leader to visit southern Africa and his presence here at a time when the continent seems to be heading towards a racial and ideological confrontation is of more than symbolic significance.

He has come when Soviet influence in Africa is at its highest for years. The Chinese, who the Russians regard as their main rivals, have been eclipsed in several countries. The Americans are still trying to produce a comprehensive African policy while the former colonial powers have lost much of the authority they had.

The Russians' most spectacular success has been in Angola where, through their Cuban allies, they simultaneously damaged American and Chinese prestige. President Neto of Angola is now a familiar figure in Moscow and his political organization, the MPLA, is soon to transform itself into a Marxist-Leninist party.

Mozambique, where the ruling Frelimo has also become a Marxist-Leninist party, has tilted towards Moscow since President Machel's visit there a year ago. The Russians are also well entrenched in other parts of Africa, notably Somalia (although the Somalis seem intent on loosening these ties now that Russia is flirting with its neighbour, Ethiopia), the two Guineas and Congo.

Russian attention is now directed at white-ruled southern Africa and it has been steadily increasing its influence with the main nationalist groups—the Rhodesian Patriotic Front, the South-West African People's Organization (Swapo) and the African National Congress of South Africa. Leaders of these movements have been in Moscow recently and the Soviet Union has become their main military supplier.

The Russians have opposed attempts to achieve peaceful solutions in Rhodesia and Namibia (South-West Africa), believing that any regime born out of negotiation rather than armed struggle would not be sufficiently Marxist or revolutionary. It seems likely that one of the results of President Podgorny's visit will be to increase supplies to Swapo and the Patriotic Front.

However, the Russians will have to proceed cautiously if they are not to suffer the same sort of reverses which they experienced elsewhere in Africa in the past. Soviet Union's record has shown that it is no more skilful at negotiating among the quicksands of African politics than have been imperial powers.

Even the adventure in Angola (which President Podgorny is not visiting) could backfire on Russia if the internal situation continues to deteriorate.

President Podgorny's hosts also have cause to be suspicious of Russian motives, although they appreciate support for the nationalist movements. All three countries have publicly criticized the Russians recently for what they regarded as unwarranted interference in their internal affairs, and would clearly not wish them now to become too directly involved with the nationalists. To a large extent, therefore, Soviet policy in southern Africa will be controlled by the attitudes of the "frontline" presidents.

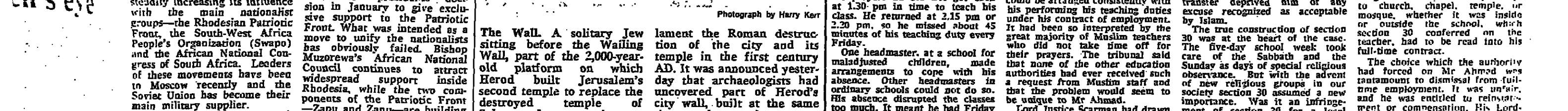
The main subject on President Podgorny's talks with President Nyerere of Tanzania, President Kaunda of Zambia and President Machel will be Rhodesia, on which all three African leaders hold similar views.

They would like to see a negotiated settlement so long as there is a rapid transfer to black rule. Until that can be achieved, they believe the guerrilla war must be intensified, but it must be fought by Rhodesians and not by any outside force, unless Mr Smith's Government receives direct military support from South Africa.

The Presidents are expected to emphasize that they want a speedy conclusion to the Rhodesian conflict because their economies are suffering from it. They are also acutely aware of the dangers of an Angolan-type conflict developing if the fighting drags on.

Paradoxically, these dangers have been increased by the "frontline" presidents' decision in January to give exclusive support to the Patriotic Front. What was intended as a move to unify the nationalists has obviously failed. Bishop Muzorewa's African National Council continues to attract widespread support inside Rhodesia, while the two components of the Patriotic Front—Zapu and Zanu—are building up their own armies, both with Soviet support.

President Podgorny is likely to reaffirm Russia's backing for the Patriotic Front and urge the "frontline" leaders to do the same. However, there are signs the Africans may be beginning to doubt the wisdom of their January decision. The Organization of African Unity is divided over whether to back Mr Joshua Nkomo and Mr Robert Mugabe at the expense of the other nationalist leaders and the presidents are also aware of the dilemma they would be in if a Rhodesian referendum gave overwhelming support to Bishop Muzorewa.



The Wall. A solitary Jew sitting before the Wailing Wall, part of the 2,000-year-old platform on which Herod built Jerusalem's second temple to replace the destroyed temple of Solomon. Jews come here to lament the Roman destruction of the city and its temple in the first century AD. It was announced yesterday that archaeologists had uncovered part of Herod's city wall, built at the same time as the temple.

Brezhnev warning fails to shake Mr Carter

From Fred Emery, Washington, March 22

President Carter chose today not to be impressed with Mr Brezhnev's complaints yesterday over his criticism of human rights abuses in the Soviet Union. Instead Mr Carter noted that the Soviet Union's readiness to discuss a wide range of topics with the United States.

Mr Carter's response came in comments he was reported to have made to congressional leaders. He reiterated that he would continue speaking out against all human rights abuses. But, according to Senator Alan Cranston, the Democratic whip, Mr Carter scorned those who believed that Mr Brezhnev's comments showed that the Salt talks were in danger.

The President was reflecting the view of his senior policy advisers, after close study of Mr Brezhnev's text, they dispute the interpretation that the Soviet leadership was issuing a political choice, we spared no effort to have friendly, peaceful and harmonious relations with all our neighbours.

He said it was important for his country to remember that weapons supplied to the Soviet Union to the Marxist movement in Angola were the same that were being used by the Shaba invaders "to decimate our compatriots who will never accept the Marxist ideology that the USSR would want to impose on them."

Answering charges that Zaire's appeals to the West and the United States were intended to win their confidence and ease the supply of weapons, President Mobutu said: "It is not a crime to freely call on friendly countries to defend one's freedom and authenticity that some would like to destroy."

"Fidel Castro himself, who would like to give us a lesson, has led his offensive in the island of Cuba" by using American aid, a country with which Zaire has friendly, equal, not subservient, relations.

Maputo: Dr Castro today expressed a wish for closer cooperation between Cuba and Mozambique.

Luanda: Angola today accused the Zaire Air Force of bombing three villages in its Eastern Moxico province, adjacent to Shaba province.

Windhoek: Black nationalist guerrillas have cut water supplies from Angola to northern centres in South-West Africa (Namibia).—AP, Reuters and Agence France-Presse.

More lose jobs for signing Charter 77

Prague, March 22—At least 10 Czechoslovakians who signed the Charter 77 human rights manifesto have been dismissed from their jobs in recent weeks, according to sources in the Prague-based Charter 77 movement.

Ten other charter signatories were given notice in January. Some of those dismissed recently were not given any reason, while others were told explicitly it was because they had signed the charter.

The manifesto, first circulated last December, accuses the Czechoslovak authorities of failing to implement the human rights declarations ratified last year.

Mr Karel Kyncl, a Dubcek era radio and television commentator, was dismissed from his white collar job explicitly for signing the charter, as was Mr Suzana Dienstierova, a psychologist.—Reuters.

Korean opposition leader jailed

From Peter Hazelhurst, Seoul, March 22

Mr Kim Dae Jung, the South Korean opposition leader, and 17 others were sentenced to imprisonment today by the Supreme Court for criticizing the constitution and President Park Chung Hee's emergency decrees at a prayer meeting in Seoul's Myongdong Cathedral.

As the court rose, some of the accused, including Mr Kim, were hustled into a black maria and driven away from a cheering crowd of supporters.

Mr Kim, who is 52 and President Park's main political opponent, was jailed for five years.

Five others were allowed to return to their homes after the Attorney General suspended their imprisonment. They included Mr Yun Po Sun, aged 80 and a former President; Mr Ham Suk Hun, a 76-year-old Quaker known as Korea's "Mahatma Gandhi"; and Mr Chyung Yil Hyung, aged 73, a former Foreign Minister. The sentence will cost Mr Chyung his seat in the National Assembly.

The sentences were announced after the Chief Justice, presiding over a full panel of 16 judges, rejected appeals by the accused against their convictions in lower courts.

Within hours of the judgment, Mr Yun and Mr Ham challenged the regime again by issuing a similar statement and demanding the revision of the constitution. (Under the emergency decrees, South Koreans are prohibited from criticizing the constitution or the decrees themselves.)

The declaration, called "A Charter for Freedom", was endorsed by Mr Chyung, whose 63-year-old wife was jailed for three years. He said: "We have no regrets. We demand two things. The constitution must be changed and Park must step down. It is time he went home and tilled the land."

Earlier, wives and relatives of those jailed, including Mrs Kim, were manhandled by the police after they left the court and marched towards the centre of Seoul singing hymns and the American civil rights freedom song, "We Shall Overcome".

Afterwards, Mrs Kim said she was not surprised by the judgment. "The judiciary is not independent," she added. "This is clearly an act of political retribution."

Mr Yun, the former president, said: "This is a secret police state. I am willing to make the sacrifice for democracy. But we need outside support. The United States and Britain have got the right to interfere in the question of human rights here. Both American and British troops shed their blood in a war here. They did not make that sacrifice to keep President Park in power."

Law Report March 22 1977

Muslim teacher not entitled to time off to pray

A Muslim teacher was not entitled, either by the Education Act, 1944, or by the European Convention on Human Rights, to refuse to attend school hours on Friday afternoons.

The Court of Appeal, in *Ahmad v Inner London Education Authority*, Lord Justice Orr and Lord Justice Scarman, dismissed an appeal by Mr Ibrahim Ahmad, a Muslim teacher, of Chesham, Bucks, who claimed that his refusal to attend school hours on Friday afternoons was a religious belief protected by the Education Act, 1944, and the European Convention on Human Rights.

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Employment Appeal Tribunal

Women car inspectors win same rates as men at Vauxhall

Snnoxell and Davies v Vauxhall Motors Ltd

Before Mr Justice Phillips, Mr C. L. T. Taylor and Mr P. Smith

Charles Early and Marriott (Witney) Ltd v Smith and Ball

Before Mr Justice Phillips, Mr P. Smith and Mr C. L. T. Taylor

The Employment Appeal Tribunal has ruled that women car inspectors at Vauxhall Motors Ltd are entitled to the same rates as men. The tribunal found that the company's policy of paying men higher rates than women for the same work was discriminatory.

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Zaire rejects Castro denial of role in invasion

Kinshasa, March 22—President Mobutu reassured today that Cubans were leading the Katanga gendarmes who invaded the province of Shaba, formerly Katanga.

He told the official news agency, Zaire-Presse, that "in spite of stormy denials" from Dr Fidel Castro, the Cuban leader, the Katanga gendarmes had received military and ideological training from the Cubans. "Radio messages monitored at the front were in Swahili... but also in Portuguese and Spanish," he added.

Despite optimistic battlefront reports by the Zaire Government, there was growing evidence today that the invading Katanga gendarmes were firmly entrenched and fighting strongly. It was learnt that the town of Kasaji, which Zaire claimed to have recaptured from the insurgents, was no longer under Government control.

The invaders continued to control the towns of Sandoa, Kapanga, Dilolo and Kesenge despite Government reports of massive bombing raids.

He said he was helping to drive the intruders out of the Angola border. All information available in Kinshasa was sketchy and much of it appeared unreliable.

President Mobutu said Dr Castro and Mr Leonid Brezhnev, the Soviet Communist Party leader, had "bad consciences". He continued: "The Soviet Union has been trying, since the independence of Zaire, to surround it with insecurity while, after freely defining our

Judge refuses to try abducted Botswana men

From Our Own Correspondent, Salisbury, March 22

A Rhodesian judge today refused to hear a case against two Botswana citizens, abducted from Botswana by Rhodesian troops and charged with illegal arms possession.

Sir Hugh Beadle, the former Chief Justice sitting as judge president of one of the special courts which try African nationalist guerrillas, criticized the Rhodesian security forces.

He said the court had no jurisdiction to hear the case, if it were to do so, he said, it would mean that this court ordered the illegal abduction of Botswana nationals who, at material time, were resident in or present in Rhodesia.

Sir Hugh went on: "To allow states not at war with each other to willy-nilly invade each other's territory and capture each other's nationals... is not conducive to preserving law and order."

The council. The arbitrator made an interim award of £146,000 in their favour without specifying the cause of action or the head of claim. It was not possible for the arbitrator to conclude that at least £146,000 was due to the claimants under the cause of action had been established. The arbitrator could not have reached the conclusion without deciding the validity of the heads of claim which would make up the money. Where a claimant sought interim relief, he must elect the cause of action and stipulate the heads of claim in respect of which he sought relief. There was no defence.

Duty to specify cause of action

Stanley Hugh Leach Ltd v Haringey London Borough Council

An arbitrator in a building contract case was wrong in not specifying the cause of action or the head of claim in respect of which he made an interim award, Sir Donald Nicholls QC (sitting as a deputy judge of the Queen's Bench Division) said when setting aside an award of £146,000 to the claimants, Stanley Hugh Leach Ltd, builders, and Haringey London Borough Council.

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Simplifying the way revenue is collected from us all

The Times blueprint for radical tax reform

There is now general agreement, including agreement between the main political parties, that the structure and principles of our system of income tax are in need of radical reform. The main areas of criticism are the following:

First, marginal rates of tax are so high over such a wide range of incomes that they are a major depressant on the economy. This is clearest at the top end of the income scale where, in combination with the investment income surcharge, the marginal rate of tax can reach 98 per cent.

The impact is equally dramatic at the bottom end of the income scale where, in combination with the social security benefits, equally high effective marginal rates are increasingly common. At both ends of the scale this situation is bringing the tax system into increasing disrepute and encouraging evasion on a wide scale.

For the broad majority of income tax payers, also, the high threshold of the system, with the marginal rate for the first portion of taxable income set at 35 per cent, and the steep steps by which the marginal rate on 'earned' income rises from 35 per cent to 55 per cent, are a major disincentive to work.

Secondly, the system is so complicated that most taxpayers are unable to understand it. The majority of those whose entire income is not within the PAYE system seem

to require professional advice in making their tax returns. This complexity is also reflected in the cumbersome and costly administration of the Inland Revenue.

Thirdly, the system does not allow for the process of inflation. As prices and incomes rise, given marginal rates of tax bite at lower and lower levels of 'real' income.

While there is general agreement that the present system of income tax suffers from these and other defects, any reforming Chancellor is subject to severe constraints. Most of the easy ways of tackling the problems which would involve a substantial reduction in the yield of income tax.

Such a reduction in the immediate future might not be compatible with the Government's policy, for example, of keeping the public sector's borrowing requirements under £870m in the next two financial years. A substantial increase in post-tax personal income might prejudice the required transfer of resources from personal consumption to capital investment and the improvement in the balance of trade.

Certain aspects of income tax reform, for example, the consolidation of British industry, might make more difficult the control of inflation in general and of the level of wage increases in particular.

In its budget, the Government has proposed, for example, a 10 per cent increase in all national tax allowances (other than child allowances), a reduction of the basic tax rate from 35 per cent to 33 per cent, an increase in the thresholds for the investment income surcharge by £1,000, and a reduction in the rate of tax on earned income from 35 to 33 per cent.

These changes, while they would be a smoothing of the tax process for those with taxable

Income tax allowances and reliefs

	Nos benefiting	Revenue forgone (1976/7-£m)
Mortgage interest	4 million	100
Life assurance	12 million	235
Services of daughter	1	1
Dependent relative	1	35
Housekeeper	50,000	11
Additional personal	500,000	40
Age	500,000	225
Widow's earned income	64 million	1300
Child	14 million	1210
Blind persons	30,000	11

Notes: Revenue forgone has been measured by estimating the additional yield that would be received if each individual allowance had been withdrawn without any change in any other allowance. The figures for age allowance assumes that those entitled could continue to receive single and married personal allowances.

Investment income surcharge		
Nos paying	Yield	£185m
600,000	1974/5	205
	1975/6	205
	1976/7	275

Source: Inland Revenue estimates.

incomes between £5,000 and £30,000 a year. Since even this would fall far short of tackling the basic faults of the income tax system, it is clear that fundamental reform can only be achieved over several years.

The ritual of the annual occasion positively encourages a Chancellor to experiment with the system as a whole in ways which accord with his political and social prejudices, or the supposed interests of his particular political constituents. This process has led many to despair of the possibility of constructive and sustained reform.

In order to meet this problem *The Times* offers here a coordinated programme for the reform of the income tax system.

Reliefs and allowances: The overriding consideration should be the need to simplify the system. The aim should be to reach the point where, as in the United States, the

society would then reclaim the tax directly from the Inland Revenue. This could be either at the individual's tax rate for a mortgage or at a negotiated rate, as in the case of life assurance premiums. In this way the tax calculation would have been removed from the individual's PAYE coding, or annual tax return.

Wife's earned income allowance: Under the greatly simplified tax assessment system (see table) the general introduction of separate taxation for wives' earnings and the abolition of this allowance should be considered.

Tax assessment: With all subsidiary reliefs and allowances removed for the majority of taxpayers, tax coding would be greatly simplified. For example, there could be just two rates of deduction, one for a single man and another for a married man, whose wife was not working. The saving in administration for the Inland Revenue and for employers would be dramatic. Tax assessment at the end of the year would be equally simple.

Tax rates and progression: The translation of tax allowances described above might, as with the new child allowances, be to the disadvantage of those on the highest rates of tax. This should be balanced by other changes in the structure of the tax system.

The concept of the basic rate of tax, with higher rates, should be abolished. The starting rate for tax should be reduced to 25 per cent, to make the threshold into the tax system test. The existing 'bands' for taxable income should be abolished and replaced by a smooth progression of tax rates, embodied in easily understood tax tables, which would take the marginal tax rate up to a maximum of 70 per cent. The investment income surcharge should be abolished as having

no social or economic justification.

The combinations of these reforms would enable an individual armed with tax tables to enter them with his or her gross income for the year and read from them the income tax liability incurred. There is no reason why the overwhelming majority of taxpayers could not be accommodated within such a simplified system. The computation of the tax tables would include the personal tax allowance. There could be one table each year for single persons and another for married persons and another for widows. The personal allowance and tax rates of the system should be adjusted annually to reflect the impact of inflation.

The 'poverty trap': Since the problem arises from the fact that the level of supplementary benefits judged to be the minimum that is acceptable can in an increasing number of families total more than the personal allowance against tax, the solution can only lie in increasing the relative value of the personal allowance.

The proper relationship could be maintained in one year or even two. The immediate requirement is that it should not be allowed to become even worse. The policy for the programme should be that changes in the thresholds and social security benefits should be so coordinated over the next five years that by the end of the period some differential has been reestablished.

Since taxation has to do with the distribution of income which goes to the heart of politics itself, it is an illusion to suppose that the issue of income tax can be 'taken out of politics'. Different political parties will have different priorities. It is, however, a major budget decision affecting income tax over, say, the next five to 10 years conformed to the outlines of this, or a similar strategic plan, the result in the end would be more attractive to voters, respect than the present situation.

Bernard Levin

Our chance to stem the floodtide of state control

Tonight the Government will be put to the question: not even Mr Callaghan, whatever deals he may have done, or yet managed to do, with the Liberals or Mr Powell or the Nationalists, can now come up with any further procedural dodge or trick (of the kind he employed last week, for instance) to oil the wheels of the House of Commons and decide whether his Government shall fall now or continue to totter.

Which shall it be? As I said yesterday, I am not concerned to count heads and predict outcomes. If I am right in my belief that it is necessary for the future of this country for the Government to be turned out, to face a general election, and to lose it, I am not less right if it does not happen. But why, apart from this Government's almost unique record of failure, incapacity and untruthfulness, do I believe that whatever is to happen, that is what ought to?

I believe that the crisis which this country faces is not primarily economic, though of catastrophe is to engulf us by that route. In the most important sense of all, the crisis is not political either: indeed, its resolution lies in the ability to transcend politics, or at least to stop seeking political solutions to problems that lie far deeper than anything we understand by that word. But for the moment—in the House tonight and in the country at large if an election follows—is the political field on which the battle is to be fought.

I have thought for a good many years, and think so more strongly rather than less as time goes by, that the succeeding of Harold Macmillan by Harold Wilson (with only a brief and irrelevant interlude under Sir Alec) was the most disastrous political occurrence

in Britain since the modern form of parliamentary democracy was finally established. The residual legacy of the Bank Rate; whatever else was going to dominate politics in their years, principle was not, nor did it. Macmillan, as it happens, had real achievements to put into this scale opposite the damage he did to the political machinery of the foundations of democracy; Wilson had none. But between them, as I wrote as long ago as 1970, they 'managed to empty the decade of political principle and scour the vessel'. Sir Hugh Gaiter, I think, had Butler beaten Macmillan in 1957; but the fruitless speculations of idle hours. What we got was what we got; and what we have we have.

What we have is government by expedience. Now I am not so naive as to believe that any democratic government can be free of it; but what we suffer at present is government by expedience and nothing else. Mr Callaghan and his colleagues have trodden to and fro individual or group with power, and the trucking has included paying any price, however damaging to the country or the public demand. A single example: do you really suppose that Mr Callaghan, who is a decent man though a weak one, and as a politician he is not without the confines of reality, and certainly not vengeful or cruel in any sense, do you really suppose that he does not know how grotesquely unjustified is the closed shop legislation his Government has put through, or how vile is the spite with which it is already being pursued (and that only a beginning), or for what totalitarian ends it can be applied, and it some have their way, will be? Of course he will. And do you suppose he wants

Already we know that much more than half of the country's economic activity is generated or directly controlled by the state, and the proportion continues to grow

that, or approves of it? Of course he does not. Then why have we got it? Because those who want it are in a position to bully him and his Government, and he and they were more concerned to stay in office than to refuse to do what they knew was grievous wrong. And that has been the story throughout.

Do not tell me that Mr Callaghan is a real politician who lives in a real world, and therefore cannot afford to acquiesce in principles or be ruled by principles he picks up accidentally. It is precisely the fact that he is such a politician, combined with the facts of how he came to be such a politician, and where, being such a politician, he will now go, that convinces me of the necessity of getting rid of him and his Government. For whether the Government be Labour or Conservative, there is a critical and urgent need for it to row against the tide. Whatever else Mr Callaghan is, he is not a man for the task; whatever else his Government is, it is not a government for that duty;

whether else his party is, it is not a party for that duty. Are the people to live for the state, or the state for the people? No, that is not an oversimplification; not long ago it would have been, but it is not now. Already we know that more than half of the country's economic activity is generated or directly controlled by the state, and the proportion continues to grow. And if the left hand of the Labour Party continues to strengthen its grip, that proportion will grow greater, and do so more rapidly.

But that is only the economic basis of the advancement to real tyranny. Look for another, equally random but no less significant instance, at the tone and thrust of the main proposals of the Bullock Committee. (And remember that the membership and the terms of reference made such proposals inevitable.) The main thing to which the majority seem determined is the elimination of the choice of the employee, directors, for workers in a factory to elect the representative they want

would be democratic, but (so, really the choice is going to be made in such a fashion as to ensure that it will effectively be in the hands of the union bosses).

Yet if the Bullock Committee's proposals do not become law (and if they do not go so far, they may yet do so in significant part), it will only be because of the difficulty of getting them through Parliament, not because of the power they would put into hands unfit to wield it. Worse is the suggestion, now being vigorously pressed by the Labour left, that trade union nominees should sit, without being elected, on local authorities. The suggestion is based on the assumption of powers hitherto reserved to an elected Parliament, and the government formed from it, by a movement which still represents less than half of even the employed population. It is an assumption of the Government of control over even the meaning of the present incomes policy (the Government said that the £8 rise was a maximum, but Mr Jones said it was an entitlement, and Mr Jones's view was the one adopted).

There is no such thing, in the long run, as a state which is both socialist and democratic. When central and local government alike continue to appropriate more and more of the people's wealth and to spend it (to say nothing of wasting it) on the people's behalf, those pursuing such policies are pursuing a course which, in the long run, is self-destructive. And end at, the proposition that government knows what the people want better than the people do, I believe that proposition to be profoundly mistaken; but even those who do not see that it is a mistake that it is democratic.

Yet that is what lies beneath the Government's attitude, come Wilson, come Callaghan,

or come any probable successor in the same mould. Let alone a successor like Benn, in a different and even more overtly collectivist mould. Throughout society, the weight of the government machine—and it is a formidable weight—presses down on those who will not fit the established norms of minimum standards. This self-employed are penalized for their energy, to make it clear that they would be better as parts of a mass; those who save are financially punished for their thrift, so that they will be in no way tempted to fund themselves and rely on the state; those who want choice are refused it, so that they may be made indistinguishable from those who do not want it.

The triple currents of this state's economic life, the increased role of the union bosses in decisions that they are neither equipped nor democratically authorized to take, and the conformist pressure on the individual—these together terribly power in and around the present Government. There are few who want to resist the tide, many who want to increase its force, and almost none able to stem it even if they would. Only by getting rid of the government machine, and the state which it underpins (and thus, incidentally, giving Labour a chance to decide whether it wants to go on all the way to totalitarianism or return to democracy) can we hope to find the programme and the resolution to start unwinding the devil's skein in which we are entangled. There is no guarantee that we shall achieve anything of the sort under Mrs Thatcher; but I believe that proposition to be profoundly mistaken; but even those who do not see that it is a mistake that it is democratic.

Yet that is what lies beneath the Government's attitude, come Wilson, come Callaghan, come any probable successor in the same mould. Let alone a successor like Benn, in a different and even more overtly collectivist mould. Throughout society, the weight of the government machine—and it is a formidable weight—presses down on those who will not fit the established norms of minimum standards. This self-employed are penalized for their energy, to make it clear that they would be better as parts of a mass; those who save are financially punished for their thrift, so that they will be in no way tempted to fund themselves and rely on the state; those who want choice are refused it, so that they may be made indistinguishable from those who do not want it.

Britain's trade, and the Arab blacklist

Few people in Britain realize the extent to which British companies, involved in the vital export market, are being subjected to pressure to participate in the Arab boycott against Israel. Fewer are aware of the pusillanimity of the British Government in helping industry meet this challenge.

The boycott has existed since the establishment of the State of Israel in 1948, but has only become of major significance since the explosion in oil prices in 1973. The threat of the withdrawal of Arab business now means the potential loss of a vast market and this had led, in the past few weeks alone, to major firm succumbing to Arab representations.

The boycott takes a number of different forms. The 'primary' boycott involves the refusal of Arab countries to trade with Israel directly or to buy Israeli goods through third countries. These activities are local to the Middle East and do not involve Britain.

The 'secondary' boycott directly affects us as it involves the blacklisting of firms in Britain which indulge in commercial or financial transactions which promote the economic development of Israel. Thus British firms, fearing the boycott, failed to tender for the building of tug boats for the Israel Port Authority and £3,500,000 worth of business went to Newbury Industries. Likewise, seven British construction companies declined to tender for the Haifa Port Extension project worth over £9m for fear of reprisals. In practice, even blacklisted companies have continued trading with the Arab world if they have goods which are badly wanted, as British Leyland found with their export of trucks. The effect of this aspect of the boycott probably harms Britain more than Israel. Last year our imports from Israel went up by nearly 41 per cent but our exports to that country decreased by only 5 per cent.

Thirdly, there is also the self-inflicted boycott whereby some companies refuse to buy from other companies that are on the Arab blacklist, even if they themselves do not trade with Israel. This element is significant and illustrates the pressures that are at work.

Fourthly, British firms should be legally obliged to notify the Department of Trade of any person or company they receive and whether they have been complied with. Such reports of compliance should be open for public inspection.

Fifthly, legislation should be considered making compliance with the boycott a criminal offence. This would enable British businessmen to give a prompt and effective response to boycott pressure. Finally, Britain should use its present chairmanship of the Council of Ministers to press for a concerted EEC action. Article 85 of the Rome Treaty forbids any form of economic boycott and discriminatory trade practices and they should be used to provide the basis for a European response to the problem.

At present the boycott is merely one feature of the Middle East dilemma. Failure to respond to it will simply add pressure for similar boycotts over Chile, the Soviet Union, Iran or South Africa, not to mention other countries. In one respect, however, the boycott of Israel is even more vicious. The pressure with the boycotts is not coming from British political parties or interests but from foreign governments. That justifies the British Government intervening to protect not merely its trade but also its citizens from illegitimate and indefensible external pressures.

Indeed, the Foreign Office even allows its officials to authenticate the signatures on negative or discriminatory certificates of origin which originate in Israel and which are required by certain Arab governments, in particular Iraq. It is ironic and sad that Foreign Office authentication was only sought and obtained after the Chamber of Commerce refused to be parties to such documents.

The Government's claim that official action against the boycott would be contrary to international practice is simply untrue.

The Americans have taken vigorous action against the boycott. The United States Commerce Department has stopped circulating trade opportunities and tenders which include discriminatory provisions. American exporters are prohibited from answering or complying with boycott requests and the Exim Bank, similar to ECGD, has been instructed not to handle contracts which include Arab boycott clauses. President Carter has promised further action and state governments in California and New York have followed suit.

Likewise, the Canadian Government has pledged itself to take measures to deny its support facilities for such trade transactions that would further the boycott, and the Dutch Government has taken similar action in respect of its own exports and imports.

There is a strong British first world, working an early Government initiative. At present few firms feel strong enough to resist Arab pressure and they can be picked off one by one. They would clearly like to resist, but they are too weak. Much as we might wish to comply with our requirements our own government will not permit it. As one company has said in a letter to me, the Government have got it all wrong in refusing to take action.

The case for ordemning

A number of urgent steps are required. Firstly, the Government should not merely condemn the boycott but also, officially and unequivocally, condemn compliance with it.

Secondly, all government departments, offices and institutions should be instructed not to comply with the boycott. In particular, the Foreign Office should cease authenticating signatures on discriminatory certificates of origin.

Thirdly, the Government should ensure that neither nationalized industries, nor the IEB, nor any company in which there is a majority public interest in any way comply with the boycott.

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Malcolm Rifkind
The author is Conservative MP for Edinburgh, Pentlands.

The Times Diary

I hope he reads the small print

If I were James Callaghan I would study the small print before doing any deal with the Liberals. For it includes a commitment to initiate legislation recommended at the Liberal Party conference at Lisaduno last September, we are in, for some highly eccentric statutes.

An important resolution at the conference, for example, called for a 'War on Waste', one aim of which was 'encouraging the concentration of resources at the critical points in the life-long educational process'. And once the Parliamentary draughtsmen have solved that one, they might have to grapple with protecting the rights of nomadic peoples, to which the Liberals devoted a full hour of conference debate. 'Nomadic peoples' is a polite term for gypsies, many of whom are believed to be Liberal voters.

Then there are John Pardo's zany plans for the economy. We have not heard much lately of the 'inflation tax' which he invented for the 1974 elections, but the Party conference did resolve to look into ways of abolishing income tax. No doubt it was slowly through an oversight that they did not couple this with a plan to give free beer to the workers.

Another cherished Liberal policy is the rapid construction of the Severn Barrage. I am unclear about the techniques, but if the project includes

flooded a large part of Wales, it contains the Government's difficulties over devolution.

And will Mr Steel's package include the Young Liberals, with their obsession about rights for homosexuals and their thirteenth European Parliamentary elections if they are not conducted by proportional representation? I doubt whether Andy Bervan, the Labour Party's new youth officer, will find them as easy to work with.

The deal seems fraught with danger, particularly the bit about the life-long educational process. Callaghan should have nothing to do with it. Better to call an election, and win it.

Sick

An intriguing one-man show is running twice daily at the Whitehall Theatre. The star is Peter Casson, who according to his own publicity is the world's leading expert on tobacco addiction, is offering a 15-minute cure for smoking from the stage which once rang of the equally addictive habit of Brian Rix farces. My pipe-

smoking reporter paid a pound and joined the audience. He reports:

Either the advertisement in a London evening paper went unnoticed, or there is a dismal lack of will to kick the habit: an audience of barely 30 dotted themselves in rows and three about the stalls, and gazed at a black-curtained stage whose only prop was a large notice proclaiming: 'No smoking in the auditorium'. Casson, a sober-suited, evasive figure, emerged right and roared the microphone.

Not so much as a hacking cough broke the silence from the stalls until Casson, having said we did not want to hear the gory details of a lung cancer operation, proceeded to describe one in every intimate particular. There were groans and other nervous responses. 'I have used this technique for 30 years, and it does work', he continued, adding that he did not intend to hypnotize us. Instead he asked us to close our eyes and imagine a cigarette. Then he asked us to try as hard as possible to think of being sick. 'Feel sick, see a cigarette,

feel sick, see a cigarette', he intoned lugubriously several times.

A sceptical Scotsman in the audience said he could not feel sick whatever he thought of. 'I've met Scotsmen like you before', retorted Casson. 'Try sticking your fingers in your throat.'

A well-spoken woman asked him if she could not be allowed to think of something less disagreeable. No, she could not; the technique worked on conditioned reflexes, like Pavlov's dogs.

From the back of the stalls, a man challenged Casson to produce figures of the number of people who had stopped smoking by using his technique. Casson hedged, and would say only that he had received hundreds of letters from satisfied customers. 'I do not guarantee that it will work; but it is an effective psycho-musical technique.' Casson admitted that smokers who stopped decided to put weight, but he was about to bring out a gramophone record course to cure that, too. Meanwhile, we might like to buy his record of the smoking cure as we left the hall, price £1. None of the audience seemed particularly impressed as they filed out. But it was a pound spent on something less lethal than two packets of cigarettes and they did not stir up until they were well clear of the theatre.

This sign was photographed in Geneva by Brian Lane, who sees it as an example of Swiss compassion in providing parking space for the pregnant.

New look

Rupert Murdoch, the Australian who owns *The Sun*, is trying to duplicate the success he has made of the newspaper with one of his most recent acquisitions, the New York Post. He bought the ailing afternoon paper last year from Dorothy Schiff, and this week it has appeared with a broken new look.

It has, to begin with, a new masthead, which drops the claim, presumably regarded as fully-fledged, to being the dearest continuously published daily in the United States. And it announced itself as 'a day of news and newness—new looks, new features, new people'. The actual innovations, mind you, seemed a bit more compared with those claims. There is a new television section and an extra page of comic strips.

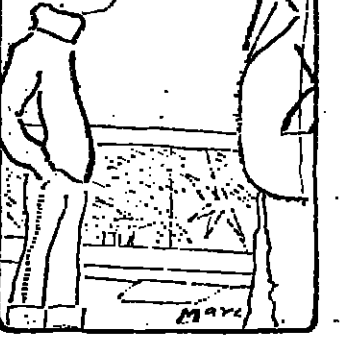
Still, the paper promises that 'there's more coming'. Even before this week, it had been exhibiting a rather better approach than before the takeover, competing with the city's morning tabloid, the *Daily News*, in the size of its headline type. During the Black Muslim siege in Washington, the headlines at one point drove the actual story quite off the front page.

The Murdoch regime has introduced a page of gossip, which is highly regarded by connoisseurs of the genre, and which has been copied by the *Daily News*. The Post, which used to have a rather mossy air, is certainly having the cobwebs brushed away.

Murdoch's other recent newspaper acquisition is the New York Magazine Company, which published *New York*, *The Village Voice* and *New West*. The takeover itself was a dramatic business, carried out against the opposition of many of the company's executives and staff, but the magazines have remained largely unaltered. Murdoch thinks his formula is successful, and is not inclined to meddle.

I do not think it would be safe to attempt to purchase the property in Nelson, New Zealand, outside which a reader spotted a board offering for sale by public auction at the *Hard of Hearing Rooms*.

My Dad's coming round to complain that you don't beat me...



No road

Some weeks ago I instituted a search for the A42 trunk road which, alone among the numbers from one to 90, was missing from the map. It was eventually revealed that the number was held in reserve for a new by-pass round Slough, but now that plan, too, has come to naught.

The local Liberals, who have been campaigning against the

new road, asked for the allocation of the number A42 to be cancelled to show the proposed route had been abandoned. The Department of Transport and Berkshire County Council have agreed and A42 is going nowhere again.

Warned over

The Daily Mail Diary, which is not slow to criticise errors and omissions in rival newspapers, takes it hard when it finds itself criticised from the editor of the same newspaper. Yesterday it ran a potted report to my item last Friday pointing out that its 'revelation' of the name of the new United States ambassador in London came just three days before the job was given to someone quite different.

In strident retaliation, the Mail plans to report this week some highlights from this Diary. This relief from their usual diet of gossip about the love lives of models and racing drivers will be a great treat for them. They will, it is true, be getting their news a day later than you take *The Times*, but that is about par for the course.

If it wants to avoid the charge of political bias, the BBC will have to change the hymn in today's Daily Service on Radio 4. 'Come, Labourers'.

PHS

[illegible]

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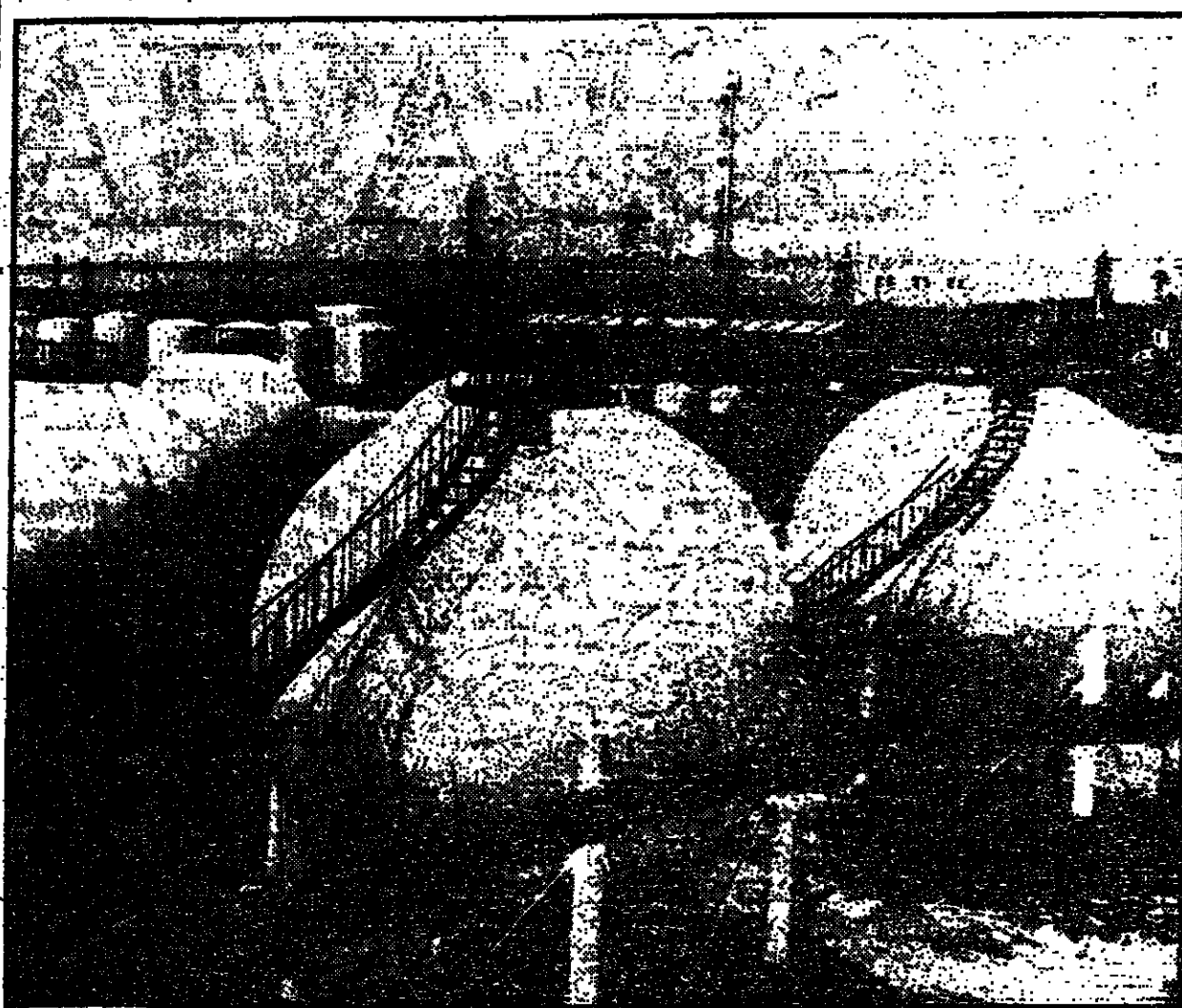
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A petrochemical complex at Zagreb, with ethylene storage tanks in the foreground.

Worker-management debate goes back to basics

by Fred Singleton

The right of workers to participate in the management of the enterprises in which they work is under discussion in all industrial societies. Some form of direct workers' control has been a constant theme in socialist thinking. It appeared during the Paris Commune, in Catalonia during the Spanish Civil War, in the early days of the Russian revolution and in the Polish, Hungarian and Czechoslovak movements against Soviet domination.

There is a clear distinction between the socialist tradition of workers' control and the liberal tradition of worker participation. The

difference is that between revolutionary change and an improvement in lines of communication between workers and management. The Bullock report probably inclines to the latter, the Yugoslavs would claim to have achieved both objectives.

Yugoslavia's revolution occurred during the later stages of the Second World War, with the victory of the communist-led partisans over the various royalist and nationalist factions. This revolution changed the structure of political power, but it did not achieve the most fundamental revolution—change in the everyday habits of ordinary people.

In the early stages the Yugoslavs followed closely the Stalinist-Soviet model both in the constitution and in the methods of economic planning. This phase of "dictatorship of the proletariat", in fact dictatorship by the party, was dealt a severe blow by the expulsion of Yugoslavia from the Cominform in 1948.

As one prominent party official later admitted, until this time few even of the intellectuals in the party had made an independent study of Marxism. They had studied it mainly through Lenin and Stalin, which had already occurred. They reached forward to a model of a society in which workers dispose of the full fruits of their labour.

This is not to suggest that the 1950 Leninist Workers' Collectives was introduced in response to a theoretical analysis of Marxist classics. Rather, as so often in Yugoslavia, the theoretical gloss was an *ex post facto* justification for a pragmatic response in a particular situation.

Yugoslavia's road to socialism developed from hard experience. Even today I was told by a leading exponent of the practice, there is no complete theory of self-management. He saw the issue in terms of communications, efficiency and human relations within industry.

Marxist theory, which puts great emphasis on ownership of the means of production, was seen as of secondary importance. He believed that a satisfactory theory would develop from the day-to-day experience of life in the factories.

There is, of course, an evolving Yugoslav theory of self-management and it finds expression in political speeches, economic articles and in the laws governing social relations. The new Law on Associated Labour passed last year is the latest in a series of enactments which have kept pace with the development of the system since 1950.

At first sight self-management applied only to factories. The scope of the workers' councils was restricted to the allocation of small amounts of surplus income in the form of the "thirteenth month wage", and to an advisory role in matters such as welfare and safety provisions. As time passed, three main changes occurred.

The scope of the workers' councils increased to cover decisions over the appointment of managers. This was done in association with the economic councils of local communes. The allocation of investments, fixing of prices and the broad policy objectives of an enterprise also fell within the range of decisions taken by workers.

The machinery of self-management became increasingly complicated as enterprises became larger in response to technological advances and the growth of competition. The decision in the early 1960s to join "the international division of labour" and to break down the artificial protection which the closed Yugoslav

market had—hitherto subject to ratification by the workers' council. The workers' suspected corruption, disowned the Italian contract and successfully insisted on giving it to the British firm.

Much of the activity in "volving" workers' self-management takes place at a much lower level than these occasional conflicts and managing boards. In some cases, in fact, workers' councils delegate wide powers to the boards, especially those where joint ventures, involving foreign capital, partnership or licensing agreements are concerned. They cannot, however, retain the ultimate power to revoke such delegation of authority.

A sense of participation is often given to the shopfloor worker by the basic organization of associated labour. Face-to-face discussion at the point of production enables workers to influence their immediate working conditions.

Yugoslav society is complex and often contradictory. Yugoslav workers do not represent a new breed of socialist beings immune from the apathy, irrationality, greed, stupidity and bloody-mindedness that are part of the human inheritance. They cannot forget their own complex and troubled history.

The ideal of workers' democracy is tarnished by corruption and the misuse of power; it is restricted by the exigencies of life in a harsh and competitive world. The state apparatus, the party and the banks all have powers to intervene, although as far as possible persuasion, social pressure and voluntary social contracts are preferred to crude administrative orders.

Yugoslav workers' self-management may not have produced a workers' paradise, but on the whole it works at least as well as most other systems which have been tried elsewhere—and that in itself is a modest recommendation in the present state of the world.

The author is chairman, Postgraduate School of Yugoslav Studies, Bradford University.

Different solution to familiar economic difficulties

by Denis Taylor

The economic problems facing Yugoslavia—inflation, unemployment, low productivity, a precarious trade balance—are familiar enough to the British. The economic organization of the two countries is quite distinct but the difficulties they have to cope with are not.

Yugoslav inflation rates have slowed in the past year. Consumer prices rose overall by about 9 per cent in 1976, and this trend is apparently continuing into 1977. The comparable figure for 1975 was 17.5 per cent and for 1974 it was 29.6 per cent.

The increase in living costs was measured at 12 per cent last year, as against 24.3 per cent in 1975 and 22.4 per cent in 1974.

This inflation—pattern shows how much more Yugoslavia is exposed to the immediate economic influences like the recent recession, compared with the countries of the Soviet block. A leading preoccupation of the Yugoslavs is to avoid inflation levels significantly out of line with those prevailing in the nations of the Organization for Economic Cooperation and Development.

Last year the Soviet Union, Italy and West Germany were the three best Yugoslav export markets. Exports to West Germany were easily the most important supplier, followed by Russia and Italy. But in spite of the importance of commercial links with the East, total Yugoslav trade with the western nations and Japan is 30 per cent higher than the total with Comecon.

Yugoslavia does not have a national price and incomes policy on the lines of those tried in the West. The policies being attempted reflect the decentralization and self-management as well as the centrally-directed aspects of the Yugoslav way of life.

The constituent republics have recently agreed to keep price levels down to those of the previous year. Basically, wages depend on the productivity of the self-managing enterprises and groups of enterprises.

The theory is set out in the 1974 constitution: "The distribution of income shall be decided upon by the working people who generate this income in compliance with mutual responsibility and solidarity and with socially determined fundamentals of and criteria for the acquisition and distribution of income."

But many undertakings are running at a loss, and they have been told to restore profitability. Under a law of 1976 a self-managed enterprise cannot calculate its income until it receives the relevant cash, cheques and bonds.

Productivity, which improved impressively during the 1960s, has been stagnant in the past two years. The economy grew by between 3 and 4 per cent, and employment expanded at a similar rate.

Failure to improve productivity circumscribes not only the wages Yugoslavs can afford to pay themselves. It also reduces competitiveness in world markets. Although Yugoslavia considers itself a developing country, its exports are not cheap; the same applies to locally produced consumer goods sold on the domestic market.

The extent of unemployment is difficult to assess. Statistics for last December show 665,000 people registered as seeking jobs, and 40,000 vacancies. The global figures do not reveal how many were not in the labour market, for example students. Nor do the statistics

show how many guest workers have returned home from Germany and other West European countries as a result of the recession and have registered as looking for employment.

But the trend of registrations reflects a massive flight from the land to urban areas. People who could find work in rural communities and small towns have elected to take the risk of unemployment in Belgrade and other cities. On the eve of the Second World War, three-quarters of Yugoslavs lived on the land. The proportion has now been halved.

This social revolution makes heavy demands on investment funds to provide essential urban services for the new arrivals.

It is only 12 years since Yugoslavia opted for the discipline of market forces. For the foreseeable future this will be a country in transition.

Arriving in Belgrade from the West an immediate impression is that life is still austere. However, cross into Yugoslavia from Romania and one is struck by how well-dressed the people are and the number of cars on the roads. Muscovites would be filled with wonder if they could see the show-window displays in the Yugoslav capital.

Compared with its lot 20 years ago, when the country was blockaded by the communist bloc, Yugoslavia has moved within the Soviet orbit and was struggling to survive with western help. Its development has been remarkable.

Manufacturing industry now accounts for two-fifths of the gross national product. Compared with its performance in 1940, the output of the chemical industry has increased 40 times and aluminium production 26 times.

Between the immediate post-war period and early 1970s, the generation of electricity went up by 1,500 per cent, steel production by 600 per cent and consumer goods by 900 per cent. Industry and agriculture changed places as the most important sectors of the economy.

Four-fifths of total farm acreage is privately farmed. The country has a better range of fertilizers characteristic of run agriculture, which has about double the comparative output of the private sector.

The size of the socialized sector is not large. There are more than 500 hectares of specialized production and the development of allied processing and retailing businesses.

This imbalance between the most efficient and the most backward of farms is just one of the disparities in a country of widely varying economic standards.

Per capita gnp in Slovenia is six times higher than that in Kosovo. The percentage of households owning a car is four times higher in the rich northern republic than in the southern autonomous province with its mainly Albanian population.

Yugoslavs are asked how they can possibly consider their country as part of the developing world when the Yugoslavs enjoy standards of living approaching those of their Italian and Austrian neighbours. The answer is likely to evoke the names of Kosovo, Macedonia and Montenegro.

The switching of resources from rich to poor republics and regions within the Yugoslav Federation has provoked political friction, but there is probably no other way of making sure that Yugoslavia develops as a viable economic entity.

While Yugoslavia continues to permit much scope for decentralized decision taking, the brake can always be applied at the centre. This happened, for example, when import controls were brought in last year, helping to produce a much healthier balance of trade than in 1975.

As it is, a Yugoslav wanting to buy a British car can expect to pay nearly twice the equivalent of the British price. There are slight fluctuations in exchange rates, but the few percentage points involved do not prevent cost comparisons with those applied in western markets.

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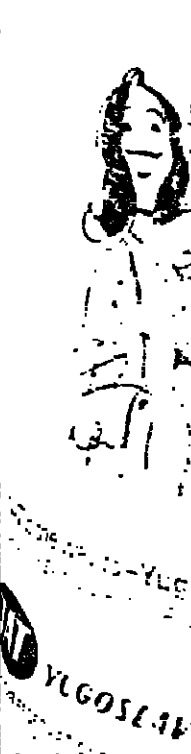
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- Jugoslovenska Investiciona Banka jointly with Beogradska Banka will also finance the new power projects construction programme over the 1977-1985 period to the value of 44.2 billion dinars. For implementation of this programme there will be provided foreign credits for procurement of equipment in the amount of 14.2 billion dinars;
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CORRESPONDENTS:

In larger sea-ports and important economic centres of the world.

مكاتبنا في القاهرة

Concern over trade with EEC

The EEC's recent approval of butter sales at 17p per lb to Yugoslavia may suggest that the country is doing well in its dealings with the Community. This is not how the situation looks to the Yugoslavs.

They are concerned by their heavily unfavourable balance of trade with the EEC. According to Yugoslav statistics, their total imports from the EEC in 1976 reached \$3,162.2m, while exports to the EEC were only \$1,335.6m. By far the largest single figure was for purchases from West Germany (\$1,232.7m), fol-

lowed by those from Italy (\$760.4m). Sales to Italy were \$396m, and to West Germany \$26m.

Although the same period is covered, there are marked discrepancies between British and Yugoslav statistics for imports from the United Kingdom. The official figure in London for 1976 is £128.45m and in Belgrade \$302.5m.

The respective figures for Yugoslav exports to Britain are fairly close, £35.5m and \$59.1m. The Yugoslavs think that they are buying five times as much as they sell to Britain, while the

British put the proportion at four to one. Whichever version is used, there is no disputing the pattern. If Yugoslavia allowed residence for British business representatives as is the case for Yugoslavs in London, the imbalance could be even greater.

Belgrade would like an Anglo-Yugoslav mixed commission similar to those existing with other EEC member states. The British do not see the need for a fresh institution to add to existing economic links.

Yugoslavia already has a trading agreement with the

developing world is growing. A Yugoslav loan for 50m units of account has been negotiated with the European Investment Bank.

There was satisfaction with the signing in Belgrade last December of a joint declaration by Mr. van der Stoep, who was then president of the EEC Council of Ministers, and Mr. Bjedic, the Yugoslav Prime Minister. While lacking in specific commitments, the statement emphasised the desirability of closer economic co-operation. Areas mentioned included transport, fishing,

energy, telecommunications, the environment and tourism as well as scientific co-operation.

The document was certainly politically useful to the Yugoslavs, and they hope to build on it in working out a more extensive trade agreement. For reasons of non-alignment this must be non-preferential. But a paradoxical remark about the Yugoslavs wanting "a preferential non-preferential" deal manages to convey something of the flavour of the situation.

D.T.

Springboard to lucrative markets

by Peter Ristic

A decade after Yugoslavia first opened its doors to the foreign investor many foreign companies are still unsure of the enormous profit opportunities offered by a partnership with a Yugoslav company.

Investing in a Yugoslav company gives a foreign company immediate access to 20 million of the world's most dedicated consumers, and it offers much more. It provides the best springboard there is in Europe to the lucrative markets in the developing countries and Eastern Europe.

Yugoslavia—as a leading force in the non-aligned world—has a bigger advantage than most other countries. That advantage has enabled it to secure some of the lush construction projects which are now in the offing and which present plentiful opportunities for subcontractors.

In Eastern Europe Yugoslavia has what amounts to preferential access. Balanced between the East and the West, it has bilateral trade agreements with the Communist countries. Those agreements provide for expanding markets and payments in full joint venture in Yugoslavia. Western companies are usually limited to barter

arrangement—significant restriction on expanding trade with those countries.

Yugoslavia has in addition all the conventional advantages of a developing country. It has good communications, a pool of well-educated labour and low labour costs—often 70 per cent lower than in the high cost markets of northern Europe.

But there is more to forming a joint venture in Yugoslavia than spotting the advantages, landing in the country, signing a contract, and picking up the profits. Joint ventures are only for those with patience and considerable commitment. But before that, it should be said that there are plenty of examples of highly successful joint ventures.

Proof that that is the case is provided by the fact that the heavyweights companies are queuing up to get in the door. Only recently how Chemical and General Motors and Boots of Britain have moved in and set up joint companies with Yugoslav enterprises.

Patience is the first requirement for any foreign company looking to invest in a Yugoslav company. Nearly all the foreign companies engaged in a successful joint venture in Yugoslavia complain of the same thing: negotiations are

extremely protracted. Often they take more than a year.

Up to now the Yugoslav authorities have appeared unsympathetic to complaints. Western companies also find that doing business in Yugoslavia requires a considerable amount of mental agility. The business concepts are different from those in the West and are unique even compared with other socialist countries. They have to be grasped before any agreements are signed.

The laws are also plentiful and ever changing and a western businessman must be on the look-out for alterations even during negotiations. That makes it almost essential to have a good Yugoslav lawyer at your side throughout negotiations. A good embassy—and there the British have a natural advantage in Belgrade—is an asset.

A foreign investor would be wise to think of approaching the International Investment Corporation for Yugoslavia (IICY) to get its help in the negotiations. This organization—which has an office in Cockspur Street, London—provides consultancy, technical and financial services. In some cases it will even supply equity capital if it thinks that is necessary.

Some western companies complain that they should be

allowed a majority shareholding in the joint venture. It is true that 10 years ago most other countries were more accommodating, but today the Yugoslav rule on limiting foreign investment to 49 per cent of the capital is becoming general.

A more understandable criticism is that the Yugoslav workers' councils have the overriding say in the running of the enterprise. On paper that might appear difficult for a western company to accept but in practice the councils never veto a sensible decision from the management.

In the beginning we did have a great deal of trouble with this. Mr. Milan Kovacevic, deputy director of the IICY in Belgrade, admits: "But this is no longer a problem."

Even the most conservative American companies with enormous investments in Yugoslavia and vocal shareholders did not let that worry them.

A more important criticism is that up to now foreigners have been allowed to invest only in export-oriented industries. And profits can be repatriated abroad only if the export earnings are double the figure that the company wants to transfer to head office. That rule has certainly warned off a number of would-be investors.

Yugoslavia is moving to relax those regulations in its new joint venture law, which is in its fourth draft. Foreign investment in the less-developed areas will have preferential treatment.

More important than those questions of export earnings will be the consideration whether the investment is likely to generate employment. The republics of Macedonia, Bosnia and Herzegovina and Montenegro and the province of Kosovo will benefit from this new law.

In some cases foreigners will be allowed to invest in Yugoslav enterprises engaged in industries without any export potential. The sole deciding factor will be whether the proposed joint venture is in the national interest.

Since it is in the national interest to be self-supporting in food production and minerals, it is likely that in these two areas foreign investment will be permitted without any consideration of exports.

Some foreign companies also balk at the law introduced last year which made it illegal for them to exclude the proposed joint enterprise from markets outside Yugoslavia. They are unwilling to provide skill and capital for a joint venture when it will under their market in other parts of the world.

According to Yugoslav officials the new rule will not be strictly enforced. "There is a way round this," Mr. Kovacevic told me. "This will be open to negotiation."

One final criticism is over the question of assets: if a joint venture is ever wound up, the foreign investor is allowed to recoup only what he put into the enterprise, not its true value. Despite those criticisms the joint ventures in Yugoslavia are almost all doing extremely well. Many of the first-comers, such as Britain's

Dunlop, have been so successful that they have boosted their initial investment a number of times and some are even planning new ventures. That leads one to believe that the main difficulty is not in making money but in getting the joint venture off the ground in the first place.

Only five out of 150 joint ventures have failed.

The difference between success and failure seems to be directly related to the degree of commitment that the foreign company has in the enterprise. Gillette of Britain provides a good example: it has been strikingly successful partly because it provided not only considerable amounts of cash and technology but also because it flew in British managers and accountants (the Yugoslav accounting methods vary widely from those in the West).

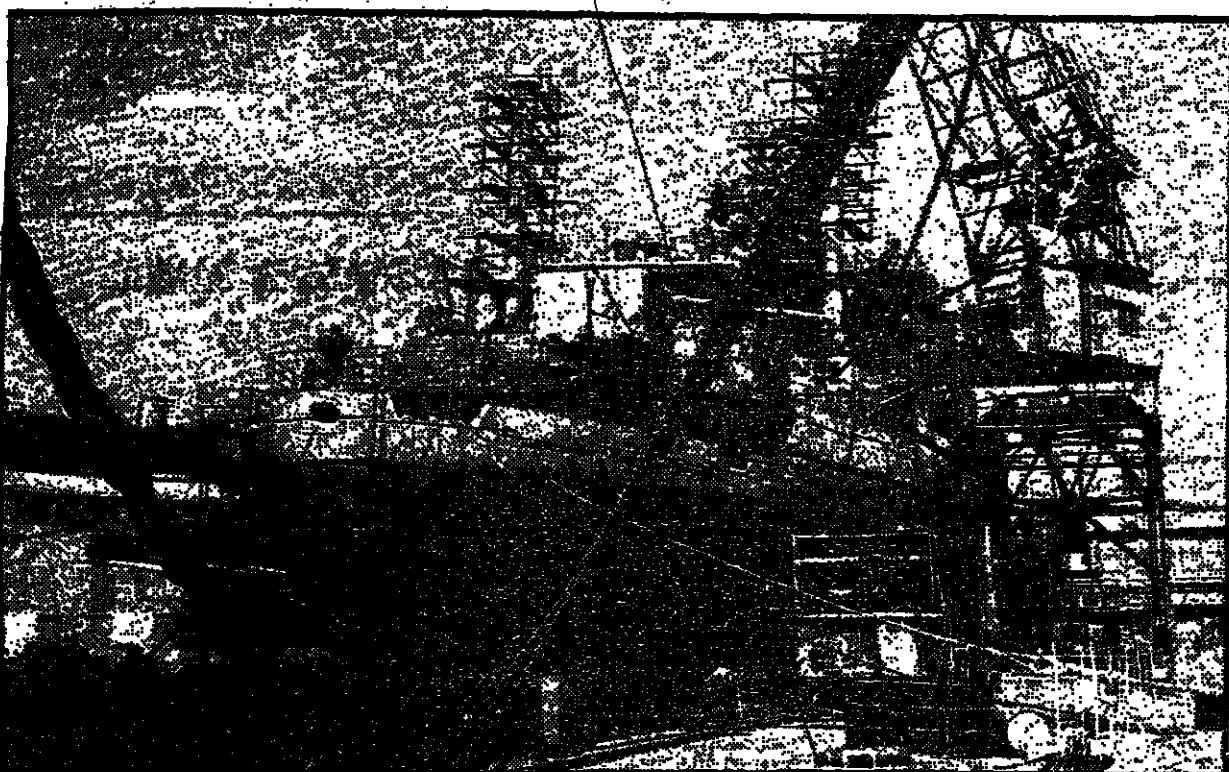
Other companies, aware that the Yugoslavs generally neglect the importance of marketing, fly in their own marketing managers. While some countries might resent such a high degree of involvement, the Yugoslavs appear to welcome it.

"The Yugoslavs want close contact," one experienced observer commented. "They want a continuing interest and a continuing access to technological improvements."

Sleeping partners are apparently not welcome. Successful, and it is difficult, if not impossible, to run a joint venture on the basis of flying visits.

After 10 years of foreign investment there are clearly some Yugoslav officials who oppose the idea on theoretic grounds. However, the government policy is to push forward and attract more technology and capital into the country.

Joint ventures are good working vehicles for cooperation," Mr. Kovacevic said in his Belgrade office, "and we want more."



Shipbuilding in the Third of May shipyard, Rijeka.

Making tracks to modernize

During the present five-year plan about 20 per cent of few, if any, countries could Yugoslavia's investment match that. Funds will be spent on Geography goes a long

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way to explaining why Yugoslavia will spend nearly £4,000m on its communications system by 1980. Millions of foreigners and millions of tons of freight pass across its borders every year—and the traffic is increasing at an alarming rate.

The last war left much of the country's communications system severely damaged. Although the damage has long since been repaired Yugoslavia has barely been able to keep up with its own needs as a rapidly developing country, let alone the needs of every country around it.

Highway almost thousand miles in length

The top priority is the modernization of the railway system. After the completion of the Belgrade-Bar railway, which gives direct access to the Adriatic for much of Yugoslavia and also for Romania, Bulgaria and Hungary, only about 70 miles of new track will be laid.

Most of the money will be spent on the modernization of existing lines and their electrification to speed the journey of goods and passenger trains between Europe and the Middle East.

Heavy spending is planned for the roads. Urgent efforts are being made to build the east-west highway between Austria and Greece. This will be almost a thousand miles long and will carry all the road transport from Europe to the Middle East.

The four-lane expressway will run beside the present two-lane road, which carries 35 million vehicles a year and is one of the most hazardous in Europe. Yugoslavia will probably receive large loans for the project from the World Bank and the European Investment Bank.

Besides the highway, which is expected to be finished by 1985, Yugoslavia is also planning to build and reconstruct about 10,000 miles of modern roads in the same period.

One item on the list of priorities is the country's telecommunications system. This will receive about 14 per cent of the £4,000m.

Shipping comes next on the list. Yugoslavia has about 1,900,000 tons of shipping, and intends over the next three years to boost its fleet by more than a million tons besides replacing some of the older ships.

Most of the new ships will be built in Yugoslavia's modern shipyards along the Adriatic. The expansion of the fleet will take Yugoslavia several places up the European shipping league. The country is at present in twentieth place.

About 5 per cent of the investment funds will be spent on modernizing airports. Attention will be focused on six of the country's 17 major airports.

Agreements have been signed for some of the special equipment that will be needed to bring the airport up to international standards.

The country's harbours are in good condition and will need less money spent on them, probably only about £170m.

P.R.

"ENERGOINVEST" has an important role in construction of processing industry facilities

The Yugoslav enterprise, "ENERGOINVEST" from Sarajevo is a Complex Organization of Associated Labour composed of 45 Manufacturing Organizations including 9 Mines, 2 Refineries, 5 Institutes, 4 Design and Engineering Organizations and 4 Centres for Development.

This big Organization also comprises a Thermal Apparatus Factory in Sarajevo which has manufactured the equipment for many important Power Plants in Yugoslavia, such as Thermal Power Plants, Hydro Power Plants, as well as the equipment for Oil Refineries, Alumina Factories, Chemical and Pharmaceutical Industries and other.

It is very difficult to give a brief description of the production programme of this Factory since it produces different types of heat exchangers for Oil and Lubricants Refineries, Petrochemical Complexes and Thermal Power Plants with high and low pressure and units up to 85,000 kgs each, with areas of heat exchange up to 1,500m², and are installed in the Thermal Power Plants up to 500 MW and more.

Beside the heat exchangers, this Factory also produces various vessels for pressure operation with or without mixers such as the reactors, autoclaves for bauxite processing, columns for oil refineries and other. The new product of this Factory is equipment for Nuclear Power Plants, while the new facilities for production of units up to 300,000 kgs will be finished very soon.

Modern equipment which shall be installed into the new facilities, long-term experience of the skilled workers



Bundle for high-pressure heat exchanger for thermal power plant (a detail).

acquired in the production until now, as well as the high education acquired on the Universities of Yugoslavia, Great Britain, Soviet-Union, USA, Czechoslovakia and Canada, where most of the experts have obtained Master and Doctor degrees in Technical sciences, present the best guarantee both for quality and new products.

Many favourable opinions regarding the quality of the products have been received from APAVE, Bureau Veritas, Yugoslav Shipping Register and Lloyd's Register of London Shipping, where this Factory has the first class registration for welding of thick metal sheets. Such development and reputation of this Factory, both on Yugoslav and International markets, resulted from a close cooperation within Energoinvest company, with the Engineering for Design of Thermal Power and Processing Plants on one side, and with the Institutes for Research and Development of Thermal technique, Technology of welding and Testing of materials on the other side.

Due to such a cooperation, a list of projects in Yugoslavia as well as in foreign countries like Austria, India, Greece, Canada, Indonesia, Rumania and Czechoslovakia, to which the equipment from this factory is supplied, is in permanent growth.

List of these projects shall continuously increase in future also, since "ENERGOINVEST" as a Complex organization with its products from other production areas as well, has developed a high reputation in the world, particularly in the Developing countries, where it has established Joint Venture Companies for certain products with the countries which showed their interest for such arrangements such as "Energomex" in Mexico, or has developed close cooperation for completing the production programme including the work distribution with the firms such as Conval from USA, Electric-project in Libya, Eleject in Egypt, etc.



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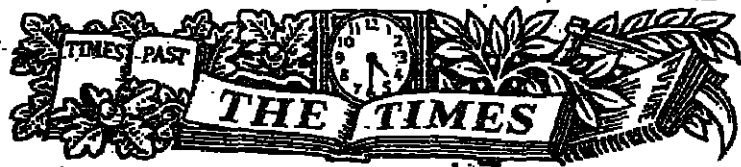
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VERDICT TONIGHT

Has this Government any further useful purpose to serve? The verdict that the House of Commons returns at ten o'clock tonight will have been reached via careful consideration of party advantage. But that will not altogether obliterate or push aside the fundamental question that is to be resolved. In its devious way the Commons will address itself to that. Certainly the political nation outside Westminster looks to it to do so.

The Government that came into office in October, 1974, had behind it a slender minority of the popular vote. It was equipped with a manifesto containing a list of legislative and fiscal measures which were at best irrelevant to the serious economic malfunctioning of the nation, and at worst aggravated it. These the Government proceeded to ram through Parliament by courtesy of the nationalist parties' obsession with the promise of devolution and the reluctance of any party to force yet another general election. The claim that there existed a popular mandate for all these items in the programme was bogus. Ministers themselves frequently disapproved of them. But they were rigidly adhered to as forming the one political programme round which a querulous party could coalesce.

Paying the price

That phase is over. Most of the manifesto items are now ticked off. We have a different Prime Minister out of a different mould. The constraints from which there is no escaping by a chronically indebted nation at last penetrated the Cabinet room. In the fiscal, monetary and expenditure areas the Government was constrained to row back to policies bearing some relation to the true position of the country. That was at the cost of internal party ructions. The unwillingness of the full Parliamentary Labour Party to endorse the Government's future expenditure proposals triggered off the present crisis. Meanwhile the Government's electoral minority is now reproduced as a parliamentary majority. It accepts the defeat of its own policies, the amendment of, or push out of sight, legislation for which there is not consent in the Commons. The Labour Government's socialist reach has been drawn, as the Tribune MP Mr Neil Kinnock ruefully admits in a letter on this page today.

The repentance is welcome, but it does not earn exceptional moral credit. It invites Carlyle's retort about the woman who announced that she accepted the universe: "Gad, she'd better. Certainly it does not earn Mr Callaghan's Government a right to be allowed to continue in office.

His Administration has been weakened by the death of Mr Crosland and the Europeanization of Mr Jenkins. It is still seriously at odds with the national executive committee of the Labour Party and a large slice of the P.L.P. Its parliamentary position is now so pre-

carious, with the possibility that impending by-elections will inflict further injury, that respect for its authority and willingness to do business with it may both be affected. It is pursuing policies in the economic sphere which sit more comfortably with the attitudes of its Tory opponents than with those of the Labour Party; and although a socialist government applying Tory measures sometimes has a better chance of making them stick, it is a dispiriting course both for Ministers and for those to whom they look for support. This is a disabled Administration in deep parliamentary trouble. These are substantial reasons, and many will think them conclusive reasons, for giving it the coup de grace tonight.

But there is another side to the argument. The inconveniences of a mid-Parliament, mid-session dissolution weigh little against urgent political reasons for a general election, but they are not negligible. It would now require the postponement of an effective budget. It would have to be disentangled somehow from the local elections in early May. A fair amount of humdrum but useful legislation would be lost. The electorate does not take particularly kindly to being harried by electioneering until the time is due or unless the necessity is obvious.

There are also more positive reasons for avoiding an election at this moment. Granted that a Labour government which is on parole to the Liberal Party as well as to the International Monetary Fund will not take its place in history as a great creative force; yet the position of the country is not one which cries out for immediate radical changes in policy. Under the tutelage of events and of the IMF the Government yanked its central economic policy round in the course of the winter until it is now pointing roughly in the right direction. It also mediates a much more realistic view of the country's predicament and of what will be entailed by the effort to recover strength. Also the message has now been received that, largely because of the fiscal swindle whereby the entry points to the different rates of a progressive income tax are adjusted too little or not at all to the spanking rate of inflation, the incidence of direct taxation is now very generally regarded as oppressive.

A renewal of confidence

There is still much to criticize about the Government's policies and attitude, and the strong Conservative objection to the composition of the cuts in planned growth of public expenditure is well taken. All the same there has been a perceptible renewal of confidence in the British economy and polity both in the international financial markets and in domestic industry and commerce. This confidence is tender and of small growth, but it would probably be best fostered in the immediate future

by a stable framework of policy and an absence of political upheaval.

There is also on the tapis the tortured question of phase three of incomes policy, or, if it is preferred, controlled re-entry into a state of free collective bargaining. The rigidity and uniformity of phases one and two are not repeatable, nor is it the least desirable that they should be repeated. Yet a wholly uncoordinated scramble by the unions to extract compensation in full for price inflation and simultaneously to preserve their relative gains or make up their relative losses of the past year or two would have a most damaging effect on confidence and on the movement of inflation and/or unemployment.

Talks would go ahead

The Conservatives are not blind to this, and if the words of Mr James Prior, their spokesman on employment, are to be followed it appears that they would seek from the trade union leadership assurances that could hardly be greatly different. The question is which of them is more likely to get what they want. A serious criticism of Labour's "social contract" up to now is that they have paid too high a price in terms of social policy, economic management, and legislative favours bestowed, for the observance of voluntary restraint by the trade unions. In its present parliamentary position the Government is unlikely to be able to repeat that bias.

As for the Conservatives the "confrontational" noises emitted by some trade union chiefs should not be taken too literally. The trade union movement would be invited to do business with a Conservative Government and the invitation would not be refused. A very large and clear electoral declaration in favour of the Tories would facilitate cooperation. A close result, and trade unionists might be less wholehearted in their acceptance of the verdict. The prospect of a beneficial Labour-union deal must still be reckoned better than that of a beneficial Tory-union deal. And if no deal is to be had the consequences of this Government's having failed to bring it off would be less ominous than the consequences of a new Conservative Government's having tried and failed.

It is our judgment, then, that this Administration, as it now addresses itself to its responsibilities, and disciplined by the need to look beyond monopoly support in Parliament, still has a useful purpose to serve; and that it would be better were it not turned out of office tonight. This is not to say that its usefulness is of more than limited duration. It is not. By the autumn the things that it is now better equipped to do it will either have done or have failed to do. Nor is it this to say that if the vote goes against the Government tonight and a general election is called, the Labour Party will deserve to be returned to power for another five years. It will not.

The censure motion: coalition or an election?

From Mr Neil Kinnock, MP for Redwelly (Labour)

Sir, Labour objections to coalition government are not based on the view that they are, in your words (The Times, March 21), "a mark of moral sin" or anything quite so theological.

They arise from experience of coalitions and acquaintance with coalitionism, and are rooted in the evidence that coalitions are governments in spite of the people by a self-appointed clique of self-appointed "moderates" for the benefit of economic orthodoxy. Their constituencies are in the City of London, the rank and file consists almost entirely of dear old people like you and their manifesto is the FT Share Index. For Labour they are, as Aneurin Bevan put it, a Knackery.

The left does not "fear compromise and does not shirk in politics if we did—and neither do we"—it is the opportunities afforded to us by a Tory government. There will certainly be a new scale of anger and industrial warfare if Mrs Thatcher ever implements her Social Market policies. But there is no profit for democratic socialism or for Britain in that chaos, misery, insecurity and fear.

So what of an "arrangement" with the Liberals? You seek to disarm with the word "something which would permit the present Government to stay in office for a bit while ensuring that there would be no extremist measures". What "extremist measures" pray? The most effective wage control policy in modern history? A £5 billion cut-back in public spending programmes? A repeatedly demonstrated determination to save the pound and cut the PSBR regardless of electoral consequences? Obviously I have my own critical views of such policies and they are not secret. But only the most jaundiced Establishment eye could regard the Labour Government as "extremist" and only the blindest Liberal leader could think of its policies as "full blooded socialism".

You may favour "staying in office for a bit". But within weeks you will be mercilessly critical of a Government hanging on to office. And what democracy or stability is there in a Liberal tail wagging a Labour dog?

If the Labour Government wins on Wednesday night, as it deserves to, it will have to live in the knowledge that the Tories are looking on. And the alternative, decided that reality was the better part of wit, and denied support to Mrs Thatcher. Extremism, mortal sin and unfulfillable deals will play no part in this.

NEIL KINNOCK, House of Commons, March 21.

From Lord Harnar-Nicholls

Sir, As one who told Mr Jeremy Thorpe and the then Chief Whip, Mr Cyril Smith, that they were ill advised to allow the Young Liberal activists to put them off agreeing a "deal" with Mr Heath, who was in a position to deliver, I now counsel Mr Steel that it would be a mistake to accept any deal from Mr Callaghan, for the simple reason that, within weeks, neither the Labour Party Executive nor the left wing element of the trade unions will allow him to deliver his side of any bargain.

BBC in Northern Ireland

From Mr Keith Kyle

Sir, As the television journalist who interviewed Mr Bernard O'Connor, the Enniskillen schoolmaster, on the BBC Tonight programme I would like to add my comments on the issues which the interview raised.

Mr O'Connor, who has at no time been charged with any activity remotely connected with the IRA and who most vigorously denies any association now or in the past with terrorism, gave a remarkably frank and articulate account of what he alleged to have happened while he was held under arrest for interrogation at Castlereagh barracks. If this account is correct Mr O'Connor's experience is in direct violation of the directive of 1972, cited by the British Government's pleadings before the European Commission of Human Rights at Strasbourg that "under no circumstances must there be resort to physical violence, blindfoldings or hoodings, standing or other positions of stress for long periods to induce exhaustion... (Prisoners) must not be threatened, insulted or subjected to torture or cruel, inhuman and degrading treatment".

It is on the basis of such assurances that the British Government has been claiming that all danger of improper treatment has long since passed and that, since it

Indeed there is a big doubt whether these elements can be carried to the point of implementing the IMF budget next week to which Mr Healey is committed. So an election would still be held, with the same risks as now to the parliamentary scene but with the heavy burden of the appearance of putting temporary self-interest before the nation's need to be rid of socialist extremism.

Yours sincerely,
HARMAR-NICHOLLS,
House of Lords,
March 21.

From the Reverend William C. Elliott

Sir, You rightly suggest in your leading article today (March 21) that it would be preferable in the national interest for the present Government to remain in office for a bit rather than to have an immediate election.

The Conservatives are always claiming to be the party which puts the national interest first. Are there not at least half a dozen Conservative Tories who would put the national interest first and abstain from supporting the no confidence motion on Wednesday? Actions speak louder than words.

Yours faithfully,
WILLIAM C. ELLIOTT,
21 Highfield Avenue,
Harpenden,
Hertfordshire,
March 21.

From Mr A. T. Cropper

Sir, The problem which is currently exercising Mr Callaghan's mind could also be an opportunity for him to make a break to the haven of a Social Democratic Party, unencumbered with the lunatic wing. He would still be left with an improved chance of winning a General Election either now or in the future.

If Mr Callaghan would consummate an alliance with the Liberals that required the Government to follow policies that the Liberals would support, which the Government would follow and which the main body of the middle ground of the electors desperately want him to follow, then, with luck, this would be too much for the entryist left wing to stomach. If they were seen therefore to bring the Government down, then they could be validly thrown out of the Parliamentary Labour Party. The P.L.P. could then fight an election with a voting alliance with the Liberal Party, with candidates fighting for the official Labour Party, the P.L.P., against the left wing renegades, as well as against the Tories. It would carry with him, not only the vast majority of Labour voters, not only the Liberal voters, who would be used to much greater effect than ever before, but also the great army of non-voters who have become disillusioned with the present schizophrenic Labour Party and are appalled at the prospect of the Thatcher alternative.

James Callaghan is the only person who can achieve this, not for any particular personal qualities, but because he is the possessor of the identity of the Labour Party. Whoever can put candidates up under the banner of the Labour Party, gets the votes. The same man called something else, will always fail. James Callaghan is identified in the minds of all voters as being the Labour Party. Nobody else is so identified.

does not contest the specific findings of the Commission, the Irish people in the north are more vexatious litigants. Mr Sam Silkin, the Attorney General, gave an "unqualified undertaking" that five deep interrogation techniques used in 1971 would "in no circumstances" be reintroduced. It is important to note that these techniques do not exhaust the practices with respect to which the Commission found Britain guilty, nor do they exhaust the practices which Mr Silkin declared abandoned. (Report of the European Commission of Human Rights, Ireland against United Kingdom, C. 9004, 1975, para. 103-104.)

If indeed it is the fact that the interrogations are carried on in Castlereagh in the manner described by Mr O'Connor it means that practices declared abandoned by the Attorney General to be five years out of date were in use in one of the main holding centres in Belfast in January 1977.

Exceptional sensitivity about questions arising from human rights is not a new phenomenon. It is the undoubted fact that the months preceding the Belgrade conference. Those specially concerned with monitoring the fulfilment of the Helsinki Final Act, including the recently formed Helsinki review group in this country, have made it clear that they will want to render an account of their own country's

The prize is a government of the centre left, with overwhelming popular support and also, I suspect, union and industry support, judging by the stock market reaction to the possibility of a Conservative government today. The alternative is at best a bodged alliance with the Unionists or somebody, and a short postponement of collapse. As a negative bonus, the lunatic left wing would still be there to drag any future Labour government down again and again. Harold Wilson would not have had the courage to have achieved this, Jim Callaghan has shown himself to be more imaginative.

Yours faithfully,
A. T. CROPPER,
100 Yeakley Road, N16.

From Mr David Green

Sir, The Government—not without some justification—has been pleased to describe itself as a coalition. No conceivable pact with minority parties can hold it together for the concessions that they would require would repel more votes than they could bring with them.

On the basis of present positions in the House of Commons the scene is very dismal. But that scene could change radically following an election. The consequence might well be that both major parties could not merely afford to dispense with their extremist wings; they might have to. Circumstances might then exist in which centre moderates of all parties could coalesce; and a long overdue realignment, isolating extremists on the extremes where they belong, could take place. Much of the dismal performance of governments since 1945 has been directly due to their need to compromise within their own parties with extremists who have only been in there because our system offers no other route by which they may articulate their views. An election from which no party emerges with an absolute majority may be the only way in which this problem can be resolved.

Yours faithfully,
DAVID GREEN,
Rhyd yr Harding,
Castle Morfawr,
Pembrokehire,
March 21.

From Mr Nigel Lawson, MP for Blaby (Conservative)

Sir, I am not surprised to read in your columns today (March 22) Mr Skeffington-Lodge's praise of your leading article last Saturday, "Parliament's Choice". For it was clear from both the style and the content of that article that only he could have written it.

Yours sincerely,
NIGEL LAWSON,
Quondam principal publisher of Mr T. C. Skeffington-Lodge,
House of Commons,
March 22.

From Mr Barry Mortimer, QC

Sir, Cannot the Prime Minister solve all his difficulties by setting down a motion of no confidence in the opposition?

Yours faithfully,
BARRY MORTIMER,
5 King's Bench Walk,
Temple, EC4,
March 22.

performance of its terms as well as that of others.

Mr Nigel Lawson, the Secretary of State for Northern Ireland, has stated that following the Tonight programme interview he has "given a measure of urgency" to completing the investigation of Mr O'Connor's complaints because "I'd like it to be cleared up as quickly as possible." (People and Politics, Thames TV, 13 March 1977.) Mr Mason deserves to be fully supported in that resolve.

Yours faithfully,
KEITH KYLE,
25 Dordale Road, NW3.

From Mr R. A. Bruce

Sir, Lord Kilbracken (March 17) accuses British soldiers of having ill-treated two suspects in Northern Ireland. He states, as evidence, the existence of a cross, drawn by a ball-point pen, on the wall of a regimental interrogation room; the suspects allege that they had to keep their eyes fixed on this cross whilst adopting a "penal stance".

The existence of the cross may be regarded as convincing evidence that the suspects were indeed interrogated in that room; it affords no proof whatsoever that they were also ill-treated.

Yours faithfully,
R. A. BRUCE,
118 Halkin Place,
Aberdeen.

num price. A sale in any other manner, presupposes that it is practicable to estimate accurately what the books should realize on a sale by auction. But the trustees are advised that this is not possible. Certainly, the very high price obtained for the Grilling Gibbons table illustrates the difficulty of estimating the effect on prices of such a documented and distinguished provenance.

It is hardly necessary to stress that the trustees' primary duty is to their beneficiaries, both born and unborn. The trustees might lay themselves open to very heavy liabilities if they were to act as philanthropists (even in the national interest) at the expense of their beneficiaries.

The writers of this letter consider it unreasonable that, when greatly cherished family possessions have to be disposed of, criticism (express or implied) should be levelled at the trustees for carrying out the disposal in such a manner as will best serve the interests of their beneficiaries, when taxes are levied at rates which make such sales inevitable.

Yours faithfully,
TAYLOR AND HUBBERT,
2 Raymond Buildings,
Gray's Inn, WC1,
KENNEDY PONSORBY AND
PRIDEAUX,
46 Cannon Street, EC4,
March 22.

Cost of Sunday letter collection

From the Managing Director of the Post Office

Sir, Sir Robert Lusty and others ask for the return of the Sunday collection (letters of March 17 and March 19).

During the past 18 months the Retail Price Index has risen 25 per cent while postal prices have remained stable, and our proposal now is for the minimum increase of 3p in June equivalent to 10 per cent overall. Any higher increase would mean fewer letters posted with the subsequent price increase coming sooner or being larger.

In order to maintain price stability we have instituted a rigorous programme of economies. These have been mostly internal, but we have also asked the customer to contribute by forgoing marginal services where the demand is relatively low and the cost per letter is high. Sunday collections fall into that category. Savings from not having Sunday collections have been running at £8m per annum, a very important saving.

That is why we have concluded that we ought not to restore collections on Sunday. In present circumstances, but we are looking at ways in which we might improve the limited Sunday collection facilities which already exist from main sorting offices.

Yours faithfully,
A. CURRALL,
General Post Office,
St Martin's-le-Grand, EC1,
March 21.

From Miss Brenda Johnston

Sir, To be fair to the Post Office, may I say that here, 560 miles north of London, it is possible to post first-class letters on Sundays for collection 5.45 am Monday, and be confident that when an urgent reply is required, it will arrive, at the latest, on the following Thursday by 11 am—country delivery.

Yours faithfully,
BRENDA JOHNSTON,
Scotstonhill Farm,
Elsin,
Moray,
March 20.

The Burma Act

From Mr J. Enoch Powell, MP for Down, South (United Ulster Unionist Coalition)

Sir, In your obituary today of Sir Reginald Dorman-Smith, you write that Sir Burma became a sovereign republic without following the example of India of remaining a member of the Commonwealth. There was no example to follow. The Burma Act, 1947, preceded the British Nationality Act, 1948, which—some might think unhappily—altered the basis of British citizenship so as, for the first time, to make such a choice possible.

I am, Sir, etc.
J. ENOCH POWELL,
House of Commons,
March 22.

Doctor manpower

From the Secretary of the British Medical Association

Sir, I cannot agree with Claire Whittemore, Oxford Public Affairs Unit (March 18), that a "new breed of paramedics" should be incorporated into a restructured Health Service.

There is no need for a new Health Service. The range of functions encompassed by medical, nursing and allied professions is adequate for the management of individual patients' conditions. The BMA did give careful consideration to this suggestion—which is by no means a new one—in preparing its own evidence to the Royal Commission on the NHS and concluded that "the introduction of physician assistants, nurse practitioners or fieldworkers would not be in the best interests of patients."

Every patient should have the right to consult a properly qualified doctor who has had the long training and experience necessary to make an accurate diagnosis. The doctor must retain ultimate responsibility for the care and treatment of his patients. Nevertheless he will need to consult the individual expertise of his auxiliaries, and will often delegate work to them. But a patient's access to a medically qualified doctor must not be diverted to auxiliary staff.

Yours faithfully,
E. GREY-TURNER,
Secretary, British Medical Association,
Tavistock Square, WC1.

From the Master of Marlborough College

Sir, Those of us who work in secondary schools are being constantly reminded these days of the importance of educating people to spend their working lives in such a way that they can contribute to the community.

But the largest, it is not the only way in which Britain earns her living in the world. People work best where they are keenest to work. Many more want to be doctors than there is room for in our medical schools. Moreover, the demand for places in these schools is worldwide. In the Far East and the Middle East, the reputation of a British medical education stands high. English is the lingua franca of medicine all over the world. Good overseas students and good British students alike are being excluded from a medical education through shortage of places.

Very large sums of the nation's money are invested in ways which bring little profit to the country. Might not the creation of fresh medical schools earn us precious foreign currency by attracting foreign students, giving employment to those who build them and those who staff them; and enable more students from all over the world to earn their living in a way which brings fulfilment to them and healing to others?

Yours faithfully,
ROGER ELLIS,
Marlborough College,
Wiltshire.

WEST GERMANY'S NUCLEAR WOES

West Germany has run into a triple crisis over nuclear energy. The Government is under very heavy pressure from the United States and the Soviet Union not to sell a nuclear reprocessing plant to Brazil. At the same time its own domestic nuclear power programme has been brought practically to a standstill by protest groups. This has provoked a worried debate on public order and the failure of political institutions to measure up to the challenge.

The Brazilian deal was signed in 1975 and is worth about £3,000m. It involves the sale of eight reactors, a uranium enrichment plant and a reprocessing unit. The Americans point out that this comes fairly close to selling a nuclear bomb to Brazil, which has not signed the non-proliferation treaty. The Germans say they are improving the tighter safeguards than the International Atomic Energy Agency, and that their commercial credibility is at stake. Both Germans and Brazilians want more independence from American supplies of enriched uranium, which in recent years have been manipulated in ways which do not enhance confidence. Perhaps the Brazilians also want a bomb, or at any rate the political power which goes with the capacity to make one.

It is easy enough to understand German and Brazilian interests but the dangers to mankind that flow from the proliferation of nuclear capability are so great that these interests should take second place. Moreover, if West Germany looks at her wider interests the damage that the Brazilian deal is doing to her foreign relations is likely to outweigh the commercial advantage. Relations with the United States are now seriously affected. The problem of ensuring that developing countries have enough electricity without

becoming excessively dependent on the United States should be tackled partly by developing other sources of power, coupled with conservation, and partly by trying to put fuel enrichment and reprocessing under some sort of international or regional machinery.

Inside West Germany the struggle over the domestic nuclear programme is provoking even more concern. The debate has now gone far beyond the questions of safety, which sparked off the protests and moved the Administrative Court in Frankfurt to halt building operations on one reactor. It has become a debate on German institutions, social change, and the inadequacy of the political system. This is largely because the protest movement has attracted an extraordinary mixture of middle class professionals, and extremists of right and left who clearly represent something wider than the student protests of 1968 or the earlier campaigners against post-war rearmament. The nuclear issue is, in fact, only one of many issues now occupying thousands of civic action groups which have mushroomed around the country, and if it still commands only minority support—53 per cent of Germans are for nuclear power stations, according to one poll—it seems to give expression to a deeper unease which has nothing directly to do with nuclear energy.

Explanations abound, of course, the most familiar being that people feel helpless in the face of accumulations of industrialized power. They believe they cannot influence events through the normal channels of political representation, either because party politics are divorced from perceived realities or because the politicians are

shifting more and more decisions on to technocrats and bureaucrats, who are even less accessible. They therefore resort to direct action based initially on small groups.

There is probably a good deal in this analysis, which means that the protests have to be taken seriously as a social and political phenomenon, even though they are undoubtedly being exploited by extremists and trouble-makers. But are they right on the nuclear issue? West Germany faces energy problems much more serious than those of Britain, which can rely for some time on North Sea oil. If the nuclear programme remains halted there could be serious shortages of power in the foreseeable future, which would be more likely to usher in a harshly authoritarian regime than the semi-pastoral participatory democracy for which some of the more romantic protesters appear to hope. On the other hand the light-water reactors are slightly more risky than the type used in Britain, so safety is a genuine issue, even if it has now been inflated. There is also the argument that once West Germany is launched into such a large and expensive programme she will be distracted from research into conservation and future alternative sources of power.

There is, therefore, an urgent need in West Germany for a serious and informed debate on the subject (such as the Royal Commission on Environmental Pollution sought to initiate in Britain) so that people at least have the feeling that their institutions are responding to their doubts and elucidating the facts. So far there has been nothing in parliament or outside it appropriate to the magnitude of the problem and the depths of emotion it is capable of touching.

Setback for
hopes of
Co-op merger
page 20

EEC industry chief gives warning of strong action to stop subsidies on steel

From Michael Hornsby
Brussels, March 22

Viscount Etienne Davignon, the EEC commissioner responsible for industrial policy, said today that the commission was prepared to use the powers it had under the treaty establishing the European Coal and Steel Community to ban subsidies or aids granted by member states to their steel industries.

Unveiling new proposals for the long-term rationalization of the EEC's steel industry, Viscount Davignon stressed that use of these powers would be a secondary line of attack.

"My first weapon is persuasion," he said. "Member Governments must be made to see the necessity of fitting in their investment plans with overall Community policy."

Under questioning, Viscount Davignon insisted that, after talks here with Mr. Kaufmann, Minister of State at the Department of Industry, he was satisfied that neither British Steel's planned £350m expansion of its Port Talbot plant nor the reversion to the commission's rationalization objectives.

Viscount Davignon said that the commission's proposals, which include setting minimum prices for steel products and the introduction of a system of import licences, would be submitted to the EEC summit in Rome at the end of this week because it was essential that member Governments "indicate they share our diagnosis and the remedies we are proposing."

EEC steel plants were in general operating at no more than 50 per cent of capacity, he said. It had become clear that the prolonged crisis in the steel industry reflected not



Viscount Davignon: Satisfied with Port Talbot project.

merely a cyclical economic downturn but also a fundamental imbalance between capacity and demand. This could be corrected only as a Community basis.

The new proposals are intended to reinforce the commission's existing anti-crisis measures based mainly on voluntary pledges by steel companies, or groups of companies, to limit their sales on the EEC market to specified levels. (There is no limit as such on production or stockpiling.)

These existing measures, which were introduced on January 1 and recently extended until the end of June, have had little discernible impact so far, even though 90 per cent of producers are said to be abiding by them.

In an attempt to stem the continuing deterioration of steel prices, the commission is

now proposing the introduction of obligatory minimum prices on the EEC market for reinforcing bars and voluntary minimum prices for other steel products.

This would be coupled with a system of import licences which would be issued automatically on production of a purchase contract. The purpose of the system would be to monitor imports and make it easier to detect unfair commercial practices, such as dumping, the commission maintains.

Viscount Davignon insisted that there could be no question of physical controls on steel imports. Imports were only partially to blame for the depressed steel market, and as a major trading block the EEC had nothing to gain from a policy of "closing doors and retreating into isolation."

Instead, the commission would pursue its present policy of seeking voluntary price and export quota agreements with steel producers in Japan, South Korea, South Africa, South Korea and East Europe.

Internally, the EEC must make more use of the European Investment Bank, the regional and social funds and the ECSC budget to finance the creation of new jobs, and the re-training of steel workers made redundant by rationalization.

In part, this meant channeling investment loans much more selectively to rationalization projects and to create other jobs. The commission intended to raise some 600 to 700 million units of account (about £370m to £470m in loans of this kind in 1977). About a third of this sum would be advanced at subsidized rates of interest.

UK nuclear groups in Kuwait tender

By Roger Vielvoys
Energy Correspondent

The Nuclear Power Company, the operating arm of the Nuclear Energy Corporation, and GEC Reactor Equipment are to bid for a multi-million pound contract to build a 50 megawatt training reactor in Kuwait.

Talks have already taken place between the companies and the Kuwait Ministry of Electricity and Water. A tender is expected in about three months' time in the face of stiff competition by the German, French and, possibly, the Japanese.

NPC is not disclosing the type of reactor involved in the bid, mainly because the company is also undertaking an assessment for the Government of the British nuclear reactor programme.

This assessment, due to be handed to the Government next month, has now slipped behind schedule and will not be ready until June. The company sees a conflict of interest in carrying out the assessment and stating publicly that it is offering a specific type of reactor to an overseas customer.

Kuwait has decided to embark on a gradual changeover to nuclear power generation for electricity and its desalination plants.

The training reactor will produce about 40 megawatts for electricity production with the remaining 10 megawatts desalination plant, which will also be part of the contract. Kuwait's 1300 MW electricity system is based on oil and natural gas as generating fuels. However, demand is increasing at about 15 per cent a year and reserves are probably running out towards the end of the century. Kuwait has decided to start on the road to nuclear power.

Under the proposed contract, Kuwaitis will be trained in nuclear technology. NPC feels that a Kuwait approach to nuclear power will be followed by other Gulf states, opening a small but potentially valuable market for small reactors and the possibility of full-sized follow-up orders.

For NPC, an order from Kuwait would be particularly valuable in view of the uncertainty about the British nuclear programme. Government permission has been given for the contract bid.

Babcock raises Morris offer

By Our Financial Staff

Babcock & Wilcox last night raised its offer for the Standard Trust shares to 20p, from 18p, a 10 per cent increase.

The Morris board immediately rejected the revised offer, saying it was "unacceptable" and proposed subject to Treasury permission, to double the net dividend for the current year to 20p.

Morris has forecast a significant profit increase this year, but on its earnings the proposed dividend would have been less than twice covered. Last year the dividend was increased from 6p net to 10p net.

Before the revised terms were known, Morris's shares closed 2p down at 188p. Babcock originally offered 120p a share, the price it paid Amalgamated Industrials for its stake.

Vauxhall wins biggest order

A contract for 5,600 Bedford vans worth about £8m—the biggest vehicle order in Vauxhall Motors' history—has been placed by the Post Office.

When deliveries are completed at the end of the year, the total number of Bedford vans to enter Post Office service will be 23,000. Bedford's bumper sales of these vehicles would almost stretch from London to Brighton, a Vauxhall spokesman said yesterday.

Two join Industrial Advisory board

Two appointments to the Government's Industrial Development Advisory Board announced yesterday are: Mr. S. T. Graham, director and chief general manager of the Midland Bank, and Mr. E. Hammond, a full-time executive councillor of the Electrical, Electronic, Telecommunications and Plumbing Union.

Mr. E. R. Boyd, deputy managing director of GEC, and Mr. R. E. Lloyd, chief executive of Williams and Glyn's Bank, have left the board.

Marginal decline in Community jobless

The number unemployed in the European Community declined 1.7 per cent in February from January, but was still up 3.3 per cent from the February 1976 level. The Commission reported in Brussels yesterday. The jobless total was 5,772,000 at the end of February, down from 5,876,000 a month ago and up from 5,586,000 a year ago.

The overall rate was 5.5 per cent in February, compared with 5.6 per cent in January, but up from 5.3 per cent a year ago.

Components walkout poses fresh threat to Leyland as toolroom fears reappear

By Clifford Webb

Leyland Cars' recovery from its latest crisis faced two threats yesterday as a new strike added to fears the 3,000 toolmakers may stop work again in protest at further diminution of their negotiating aspirations.

The latest stoppage at the key SU carburettor factory in Birmingham could halt Leyland's supplies for all Leyland cars. Forty-one foremen walked out there following a row over another foreman's request to return to his old job as a bench mechanic.

Mr Colin Aish was only recently promoted, but for personal reasons wished to return to the shop floor.

This would involve him in

switching back from Mr Clive Jenkins's Association of Scientific, Technical and Managerial Staffs to the Transport and General Workers' Union—a move rejected by the foremen, who are all members of the ASTMS.

A month ago another strike involving the same foremen shut Leyland for two weeks.

Mr Roy Fraser, the toolmakers' leader, is meeting the 11 members of his strike committee in Birmingham today to discuss the latest setback to their demands for separate negotiating rights.

Mr Chris Prince, an Oxford member of Leyland's toolroom committee said last night: "It is now on the cards that the committee will be asked to revive the strike."

who voted against calling off the strike last week, said Leyland had not met the conditions he toolmakers laid down for going back.

Mr Peter Hatto, one of the Oxford men who took part in Monday's talks, said he was not happy about the outcome. There was no timetable for ending pay disparities or restoring differentials.

The toolmakers returned to work on Monday, enabling the company to start more than 40,000 Leyland cars. On the same day 15 of their representatives spent 10 hours talking with officials of their union, the Amalgamated Union of Engineering Workers, and three company executives.

But when the talks ended they angrily claimed that they

had been "conned back to work". Instead of the hoped-for establishment of a negotiating team composed of AUEW officials and toolmakers' representatives they had been offered one seat on a working group comprising all Leyland unions.

Their claims for the restoration of skilled differentials and removal of anomalies in toolmakers' pay would be only one of many claims which this body would discuss with management.

The full 63-strong toolmakers' committee was due to meet on Saturday, but last night there were suggestions that in the light of the latest setback the 11-man strike committee will advance Saturday's meeting, probably to tomorrow.

Massey output halted by fresh stoppage

A new strike yesterday halted tractor assembly at Massey Ferguson's Coventry factory, where production resumed only nine days ago after the longest and most costly strike in the company's history.

It lasted more than 11 weeks and cost more than £80m worth of tractors at retail prices.

Yesterday's stoppage followed a walkout by 85 gearbox assemblers in protest at a management reply to demands for increased piecework rates.

They will return tomorrow, but are threatening to walk out again unless the company meets their demands.

Ford toolmen ready to take action if next pay round fails to restore differentials

By Tim Jones
Labour Reporter

Representatives of skilled men at Ford Motor Co yesterday left their officials on the national executive of the Amalgamated Union of Engineering Workers in no doubt that they would be prepared to take industrial action unless their differentials were fully restored in the next round of pay bargaining.

Mr Paul Capps, the national skilled group secretary on the Ford joint negotiating committee, which includes toolmakers, told Mr John Boyd, the union's general secretary, that their concern over the joint negotiating council by un-

skilled and semi-skilled representatives.

This imbalance, they claim, allows unions such as the Transport and General Workers' Union to exercise an unrepresentative influence on behalf of the grades they represent.

Mr Capps made it clear that the skilled men would be asking for a differential payment of at least 25 per cent over and above any flat rate increase negotiated for Ford workers in the next round.

This, he said, was essential in order to halt the erosion of 22 per cent in differentials his members had suffered since 1969.

Dilemma for Standard Trust shareholders

By Adrienne Gleeson

Shareholders of Standard Trust were yesterday placed in a dilemma when, just three days before the offer for their asset backing, Schlesinger is looking for no such discount.

So where the Pension Funds bid values Standard's shares at an estimated 138p an end-February figure, Schlesinger's proposals would value them at about 145p—assuming that any takers wanted to keep their cash in Schlesinger's trusts.

If they wanted to take cash following the unitization, Schlesinger's managing director, Mr R. Timberlake, estimated last night that they might at worst end up with 140p a share.

Since more than 50 per cent of Standard's shares are held by institutions, many of which will not hold unit trusts on principle, there would be a strong possibility of substantial redemption if Schlesinger's scheme went through.

However, Schlesinger has allowed for redemptions of more than 50 per cent in calculating its figures.

Like Standard Trust's board, the British Rail Pension Funds were considering this new development last night. Standard's board has discussed the possibility of unitization with Schlesinger and others.

Financial editor, page 21.

NEB buys control of medical company

By Desmond Quigley

In its second investment so far this week the National Enterprise Board is going into the medical equipment exporting business.

It has taken a 55 per cent stake in a previously wholly-owned subsidiary of Allied Investments, a public company operating nursing homes, private medical, insurance schemes, a medical employment agency and an expensive Home Counties health farm focused in a former Rothschild family mansion.

On Monday the NEB announced a £240,000 investment, and thus control, of a clockmaker, Thwaites and Reed.

The NEB is getting into the medical equipment export business through a holding in United Medical Company International (UMEDI). It is paying Allied £250,000 for its stake and will make a further £175m available to UMEDI when needed.

The NEB may seem a strange partner for Allied, since Allied's medical staff agency suffered when the NHS, at the

direction of Mrs Barbara Castle, then Social Services Secretary, cut down heavily on the employment of agency nurses.

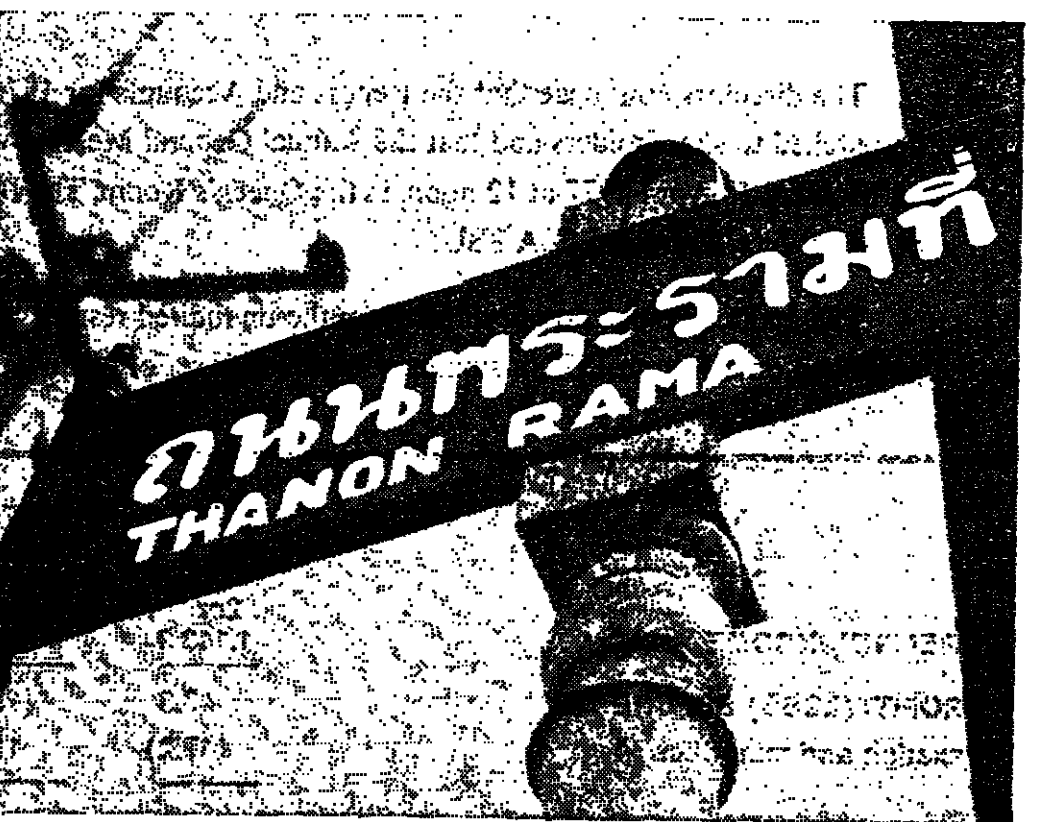
However, Dr. Michael Sinclair, managing director of Allied, said yesterday: "I don't think we are strange bedfellows. Our interests are identical."

UMEDI will specialize in providing United Kingdom medical equipment to hospitals, particularly in the developing countries, and with initial emphasis on the Middle East, while Allied will continue to provide consultancy and management services.

Thus Allied hopes to be able to provide complete package deals to countries wishing to build and equip hospitals from scratch.

A spokesman for the NEB said yesterday: "Our investment in UMEDI should benefit all United Kingdom medical supply manufacturers. It is part of the NEB's flexible approach to boosting the contribution of manufacturing industry to the balance of payments."

Supply of medical equipment overseas is dominated by two companies—American Hospital Supply Corporation and Hospitalia, the Siemens/Philips company.



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How the markets moved

The Times index: 172.31+1.88
The FT index: 419.4+5.0

Rises

Bk of NSW	15p to 20p
Beaumont Clark	10p to 10 1/2p
Beaumont Clark	5p to 5 1/2p
Church & Co	5p to 5 1/2p
Deamul	5p to 5 1/2p
EMI	5p to 5 1/2p
Fisons	5p to 5 1/2p
GKN	5p to 5 1/2p
Imp Cont Gas	12p to 12 1/2p
Jardine Matheson	5p to 5 1/2p

Falls

Gibbs A	4p to 3 1/2p
Hewitt J	1p to 1 1/2p
Jacks W	14p to 13 1/2p
Sandeman G	3p to 2 1/2p

THE POUND

Australia \$	1.61
Belgium Sch	36.25
Canada \$	65.00
Denmark Kr	1.79
Finland Mk	6.75
France Fr	8.47
Germany Dm	4.27
Greece Dr	61.25
Hongkong \$	8.20
Italy Lr	1490.00
Japan Yn	505.00
Netherlands Gld	4.46
Norway Kr	9.28
Portugal Esc	68.00
S Africa R	1.90
Spain Pes	121.75
Sweden Kr	7.50
Switzerland Fr	4.21
US \$	1.78
Yugoslavia Dnr	34.25

Equities bounced back. Gift-edged securities scored gains. Dollar Premium 112.75 per cent (effective rate 39.92 per cent). Sterling lost 15p to \$1.162. The effective rate 61.8 per cent. Gold lost \$1 an ounce to 150.875.

Commodities: Tin & cocoa prices dropped sharply. Rubber's index was at 1757.1 (previous 1752.1). Reports pages 23 and 25

THE POUND

Bank buys	Bank sells
1.61	1.55
36.25	36.25
65.00	65.00
1.79	1.79
6.75	6.75
8.47	8.47
4.27	4.27
61.25	61.25
8.20	8.20
1490.00	1490.00
505.00	505.00
4.46	4.46
9.28	9.28
68.00	68.00
1.90	1.90
121.75	121.75
7.50	7.50
4.21	4.21
1.78	1.78
34.25	34.25

Rates for small denomination bank notes only as quoted yesterday by Reuters. Bank International Ltd. Different rates for foreign currency business.

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Hopes for early Co-op merger dashed

By Derek Harris
Commercial Editor

Hopes of getting a final decision at this year's congress over creation of a single federation for the Co-operative movement were dashed at a meeting in Manchester yesterday.

The movement, which first addressed itself to problems of fragmentation as long ago as 1906, was presented with the latest of many plans to produce a more streamlined organization, especially for its retailing operations, but immediately there were signs of a split.

A single national federation, merging the parallel federal bodies of the Co-operative Union (the movement's central coordinating body) and the Co-operative Wholesale Society (responsible for commercial activities), was backed by the special committee set up two years ago to thrash out difficulties which have proved increasingly onerous as retailing competition has grown.

But the interim report of the committee contained an "alternative view" statement—put forward, it is understood, by three of the 10 committee members—which said the merger proposal "in the foreseeable future was inadvisable and not in the best interests of the movement".

The committee wants congress backing for the interim majority report so a final report could go to the 1978 congress.

The general view in the movement is that voting on the report could be uncomfortably close at this year's congress or the Spring Bank Holiday. But it might get through because of the weighting of votes.

Unless, however, changes among the 215 autonomous retail societies, some of which are particularly jealous of their

autonomy—though they would not lose it under a single federation—the final voting on amalgamation could be even more strongly weighted in favour of no change, because on that decision the voting is on the basis of one society, one vote.

Mr Howard Perrow, chairman of the special committee, who is also chairman of the Co-operative Union and chief executive officer of the recently expanded Greater Lancashire Society, acknowledged yesterday that the problem was to bring together the traditional democratic control of the movement with the need for an increasingly efficient national selling organization.

He emphasized the growing success of Co-op retailing, particularly in the last three years, which has seen a 72 per cent increase in turnover which at the end of 1976 totalled

£2,500m. The Co-op's market share has gone from 6.9 per cent in 1973 to 7.3 per cent last year.

But Mr Perrow felt there was more to play for under a single federation controlled by a national board elected by the retail societies.

Expertise would be pooled, corporate strategy could be set out more readily, and greater specialization in retailing techniques would be possible. There was also the hope of increased retail development.

The new federation would be based on four regions with the aim of encouraging merging of retail societies to produce a hard core of 25, which would take at least 10 years.

It would appoint a secretariat led by a chief executive officer to carry out the day-to-day operations largely conducted at the moment by the CWS.

Kenya curb on coffee smuggling in Uganda

From Charles Harrison
Nairobi, March 22

The Coffee Board of Kenya said drastic action was being taken to control the traffic in smuggled Uganda coffee through Kenya to export markets.

Thousands of tons of coffee have entered Kenya illegally in recent months, sometimes carried in canoes at night across Lake Victoria, sometimes by lorries over rough border tracks, and sometimes in head loads.

Mr E. N. Kuria, the board's chairman, today ordered all non-Kenyan coffee in the country to be declared and handed to the board for sale under its correct designation. Any coffee not declared by March 31 will be subject to seizure.

Mr Kuria expressed concern that the coffee authorities in neighbouring countries had failed to control the movement and marketing of their crops. This had resulted in an influx of non-Kenyan coffee, which was now a threat to Kenya's own producers.

The trade in smuggled Uganda coffee has expanded along with the high world price. Sellers are anxious to avoid the strict currency controls in Uganda which give the Kenyan shilling a 500 per cent premium against the Ugandan.

Scrap industry seeks export aid

Britain's scrap merchants have warned the Government of the disastrous consequences facing the industry unless it is given some measure of relief in the form of increased sales to overseas customers.

Through the British Scrap Federation, it is pressing the Government to allow it an open general licence to export to countries outside the EEC.

Yesterday the Federation sent a telegram to Mr Leslie Hockfield, Parliamentary Under-Secretary of State for Industry, outlining the difficulties being faced by companies.

It told the minister that it was gravely concerned at the poor state of demand for steel-making and other ferrous scrap through the United Kingdom.

Vickers win £20m tank order

A £20m export order for 40 tanks and recovery vehicles has been won by the defence systems division of the Vickers Engineering Group from an unnamed foreign buyer.

The company said yesterday that the customer had asked that it not be identified and it was unable to comment in any way on the destination of the tanks.

The order, the first for the Mk III Vickers Main Battle Tank, would ensure continuity of employment at the division's Elswick works in Newcastle after the completion of an existing export order for recovery vehicles.

LETTERS TO THE EDITOR

Self-delusion in claims on space and water heating by electricity?

From Mr Kenneth Brown

Sir, The letter from Mr Brooks of the Economics Branch of the Atomic Energy Authority (March 17) demonstrates exactly how academic casuistry has little bearing on the misfortunes of those who are compelled to use electricity for space and water heating.

It may well be true that low-grade coal is used to produce high-grade BTUs, but at what cost to the unfortunate pensioner who is saddled with this, his only source of heat? Elementary calorimetry and simple arithmetic show that Mr Brooks's estimate of £25 per year for hot water for a family of three (say 50p per week) will produce less than 300 gallons of water heated from 10°C to 43°C, the temperature of a hot bath. I base this on the actual cost I now have to pay for off-peak electricity.

If we allow for an occasional sinkful of washing-up water, a couple of basins full of water daily for personal washing and perhaps a couple of fills of a washing machine this leaves barely enough for one bath a week for three people. This may not be below the poverty line but at the next increase in price it certainly will be.

Four years ago, before the price of electricity rocketed, my total fuel bill for a six-roomed

house with five people did not exceed £250 pa. Now, in a three-roomed flat with only two in the family, complete with excellent thermal insulation and good double-glazing, using off-peak electricity for water-heating and one nightstore heater going at half cock, my winter electricity bill is £80 for two months and about £60 in the summer. That is about £420 or £8 per week on average.

My neighbour, also two in the family, in an old house with no modern insulation or double-glazing but with gas-fired water and central heating, pays for three months only two thirds of what I pay for two months. The dread of my life is the electricity bill, a traumatic experience every two months.

For anybody, academic or not, to pretend that space and water heating by electricity is economic compared with gas is just self-delusion.

This may well be a grand excuse for putting up the price of gas. It is just as valid as the suggestion to put up the price of margarine because the price of butter is so high.

I am, Sir, Yours, etc.
KENNETH BROWN,
30 Shore Street,
Anstruther,
Fife.
March 18.

Simplifying the tax structure

From Mr B. A. Cole

Sir, Mr Coppeman (March 7) claims that a tax incentive for profit-sharing by employees shares would enable us to simplify the tax structure. His reasoning is:

"It would increase the number of shareholders; understand what profits are for; therefore our tax system would not need to be directed to 'soaking the rich', and could be simplified."

I find this logic unconvincing. In practice, however, an even greater weakness in the argument is that the issue of employee shares, in addition to the whole income currently paid to the employee, fosters misunderstanding of profits. It encourages people to believe that they do not need to save to be shareholders; that profits can be shared by employees, whereas in fact it is the added value which is shared; that shareholders at present earn excessive returns on their investments.

I suggest that all three beliefs are erroneous and pernicious. Furthermore, the role of profits is not widely misunderstood by employees, and the tax system could be simplified now if politicians were prepared to be more open in their government.

B. A. COLE,
"Drove Way",
Devonshire Avenue,
Amsham,
Buckinghamshire.

Translation into English of European patents

From Mr W. G. Barb

Sir, Section 72 in conjunction with Section 112, of the Patents Bill proposes to vest the Secretary of State for Trade and Industry with powers to demand translations into English of European patents published in French or German. If such patents are to have the same effect as those to which the Bill provides for British patents.

However, such translations will not be mandatory unless and until the Minister uses these powers and the European Patent Convention only provides for translations into English of the patent claims, which in themselves do not

give an adequate picture of the invention which a patentee imposes on would-be competitors.

It appears to have passed unnoticed, or at least attracted very little attention, that this will bring about a situation quite unprecedented in this country, namely, the freedom of action of individuals and companies in Great Britain will be restricted by what are essentially legal documents not fully available in an English version to the potential offenders or ingesters.

Had it been suggested that freedom of action in some other sphere, say road traffic, in this country was to be controlled by legal instruments only, partially available in English, there would have been uproar. Is it really logical that such a situation should, therefore, be tolerated with regard to vast fields of industrial activity? Surely full translations of granted European patents into English should be mandatory under the new Bill, from the very start.

Yours faithfully,
W. G. BARB,
Soring Wood,
Hedgerley Lane,
Gerrards Cross,
Bucks. SL9 7NS.
March 18.

Metritation and the proposed postal rate increases

From Mr Mark Elwes

Sir, For those organizations whose regular mailings weigh between 50 and 60 grammes, of which there is a substantial number, the proposed increases in first and second class letter rates amount to some 46 per cent.

The purpose of lowering the weight step and imposing this enormous increase is metritation. And yet we are assured by both the Government and the Metritation Board that metritation will not be permitted as an excuse for price increases. Surely this is an urgent reason for rejecting this particular proposal.

The present weight step of 60 grammes has caused no problems for either the direct mail industry, or, as far as we know, the Post Office; why alter it?

Yours faithfully,
MARK ELWES,
Executive Director,
Direct Mail Producers
Association,
34 Grand Avenue,
London N10 3BP.
March 17.

Indexed tax allowances

From Mr R. G. Koerting

Sir, All personal tax allowances should be indexed.

This indexing should be backdated so as to reflect the full increase, in money terms, from the first date of indexing Civil Service salaries and pensions. It should be made applicable from April, 1977, superseding the arbitrary and inadequate increases of tax allowances made in the meantime.

Yours faithfully,
R. G. KOERTING,
5 Somerville House,
Manor Fields,
London SW15 3LX.
March 18.

Commercial Union Assurance Company Limited

The directors announce that the Report and Accounts for 1976 have been despatched to shareholders and that the Annual General Meeting will be held on Monday 18 April 1977 at 12 noon, in the Queen's Room, The Baltic Exchange, St. Mary Axe, London EC3A 8BU.

The audited results do not differ from the unaudited results which were published on 1 March 1977, a summary of which is set out below.

	1976	1975 Restated (See Note)	1975 Published
	£m	£m	£m
PREMIUM INCOME	1,148.9	1,063.8	922.6
PROFIT/(LOSS) BEFORE TAX	47.3	(15.8)	(10.2)
Taxation and minorities	(17.2)	10.4	6.7
PROFIT/(LOSS) ATTRIBUTABLE TO SHAREHOLDERS	30.1	(5.4)	(3.5)
Dividends	(21.4)	(21.4)	(21.4)
Transfer to/(from) reserves	8.7	(26.8)	(24.9)
SHAREHOLDERS' FUNDS	£359m		£282m

Note: Because of the significant fall in the value of sterling relative to most other currencies, 1975 has been restated at rates of exchange prevailing at 31 December, 1976.

Insure with
Commercial Union
Assurance



EMPLOYERS

You should know about the Job Release Scheme for Assisted Areas.

The scheme is a temporary measure and is confined to workers in the Assisted Areas of Great Britain. You will find details of the Assisted Areas on the map and in the leaflet referred to below. Separate arrangements apply in Northern Ireland.

If any of your workers decide that the scheme will benefit them and apply for Job Release, they must have your agreement before they can give up their jobs. Taking part in the scheme is entirely voluntary in both cases.

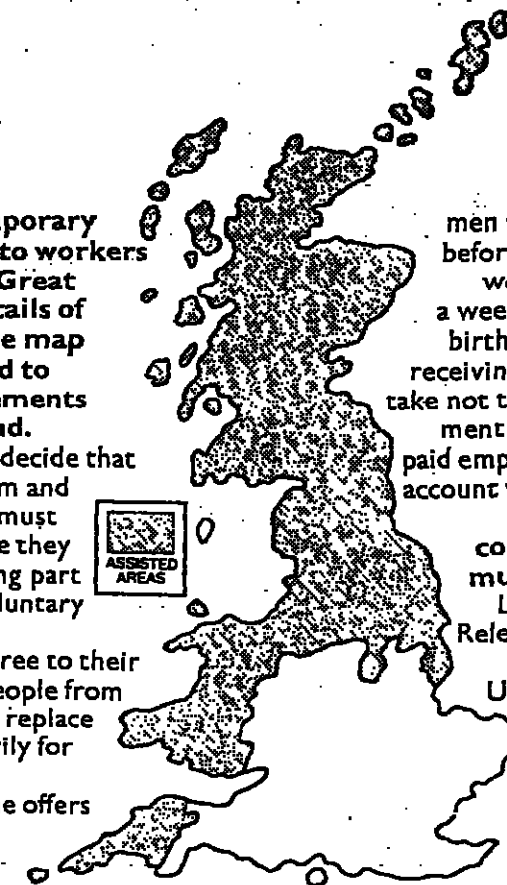
On your part, if you agree to their leaving, you must recruit people from the unemployed register to replace them—though not necessarily for the same jobs.

The Job Release Scheme offers

men aged 64 and women aged 59 on or before 30 June the opportunity to stop work up to a year early and get £23 a week tax-free until their 65th or 60th birthdays respectively. While they are receiving this allowance they must undertake not to claim any benefit for unemployment or incapacity, or to engage in any paid employment or business on their own account where earnings exceed £4 a week.

If your employees wish to be considered for Job Release, they must apply by 30 June.

Leaflets with full details of the Job Release Scheme are available from any Employment Office, Jobcentre or Unemployment Benefit Office. Just ask for copies of 'Job Release Scheme: Employed People'. Or ring 01-214 6403 or 01-214 6497 for information.



JOB RELEASE SCHEME
Issued by the Department of Employment DE

BY THE FINANCIAL EDITOR

Schlesinger throws in a spanner

Standard Trust and the British Rail Pension Funds were yesterday at the stage of exchanging polite insults over the latter's bid for the former, which closes on Friday, when Schlesinger's proposals for the liquidation of Standard arrived to disconcert both parties and set the sector buzzing.

Shareholders now have to decide whether proposals made to so late a stage of the proceedings can possibly be seriously considered, and whether, if so, they are sufficiently attractive to warrant risking British Rail's withdrawal.

Schlesinger now has 15 funds, worth some £70m, under management, so that the addition of Standard's funds would add a half again to the size of the group. That is, of course, assuming that a fair number of Standard's shareholders do not decide that an exit by way of liquidation is just as satisfactory as an exit by way of acquisition, vote in favour of the scheme and promptly liquidate their investment.

In fact, Schlesinger is assuming no such thing, and has allowed for the liquidation of more than half the fund in formulating its proposals. Now there is no doubt that those proposals as they stand are more attractive than the bid which the British Rail Pension Funds have put in: they are on the same sort of formula basis, but as against the 138p-plus at which British Rail's formula values Standard's shares (on end-February figures), that of Schlesinger would value them at 145p.

This reflects the fact that Schlesinger is making smaller allowances for the dollar premium surrender and capital gains tax liability, and the discount is eliminated.

At this stage, however, such minutiae are irrelevant, for the fact is that Schlesinger will not proceed with its offer unless it has the backing of Standard's board, and Standard's board is still considering the matter and will, on past form, be doing so for some time yet.

Shareholders, meanwhile, have until Friday to consider the virtues of a bird in the hand (British Rail) as against a bird in the bush (Schlesinger), and I think they might reasonably decide to do nothing. For even if the British Rail Funds do withdraw, the investment trust sector is not likely to be the same again.

A P Cement
Holding margins
Restatement of the last two years' figures to take account of additional depreciation in overseas subsidiaries and associates, the extension of its Rhodesian profits and the lower tax charge, caused some confusion in the interpretation of yesterday's full year results from Associated Portland Cement.

Adding back the £3m these changes cut out of profits—chiefly on depreciation rather than Rhodesia whose profits were only £3m or so last year—the 15 per cent rise in pre-tax profits to £45.4m was no better or worse than expected from the market leader in a sector that has felt the full draught of the fall in United Kingdom construction activity.

As it is, the latest figures demonstrate once again that the main thrust has come overseas, with United Kingdom trading profits down 7.2 per cent at £20.6m, and these would have been lower still but for the 31 per cent export gain. With steady price rises keeping home margins stable, the United Kingdom decline is roughly in line with the national drop in cement deliveries last year and despite its high share of the harder-pressed Scottish market.

A disturbing extension of corporate power was suggested yesterday when Lord Armstrong of Sandstead, chairman of the Midland Bank, engaged in debate with Paul Oestreicher, vicar of the Church of the Ascension, Blackheath. And the suggestion was not Lord Armstrong's.

The two met at St Mary le Bow Church, to debate—as a banker and a parson might—morality in the use of money. Lord Armstrong said that, as in the case of his bank's loans to South Africa, the primary responsibility was to shareholders and depositors.

Banks, he said, were equipped to judge creditworthiness; let the rest be "left to the Recording Angel". Oestreicher said that financial institutions "for good or bad" had as much power as governments already. Could they not exercise more by developing departments to make "moral judgments of a commercial nature"?

Ah, said Lord Armstrong, laying his trap: if banks were to make these moral judgments, they would not also apply them to lending at home?

Oestreicher saw the pit opening beneath him, but prepared gallantly to leap over it. Yes, he said: when it came to lending to a tobacco company or a bingo player, it was the bank's job to ask questions. Of course, he said, he was not going to say whether the bank should or should not lend in such an instance.

But somebody—presumably the bank—must, and if banks



Mr John Binny, chairman of APC, which has used replacement cost accounting for some years.

APC looks to have held its market share at around 62 per cent.

The £3.9m jump in overseas trading profits to £11m seems mainly from another good performance in South Africa and to a lesser extent New Zealand, while associate profits would have been by £1m more if peso devaluation had not known earnings from Mexico. APC was being unusually elliptical yesterday about all these swings and roundabouts in its figures, including the extent of currency gains which for a group with more than half its business outside the United Kingdom must be significant.

Current year prospects are likely to be overshadowed by the disastrous fall in cement deliveries in the final quarter last year. The bad weather seen to it that the trend has continued this year, wreaking havoc to unit costs. Even so, cement prices rose 3 per cent in January and another rise into double figures is widely expected in May, although re-negotiation of APC's favourable fuel contract with the NCB means that much of this benefit will go to its competitors.

And with export contracts keeping Northfleet close to capacity, the United Kingdom with further momentum overseas should mean profits growth of at least a tenth.

If the latest figures were poorly received yesterday—the shares closed 3p off at 185p—APC's card up its sleeve is that it has already turned over replacement cost accounting while its low stock levels will mean a small cost of sales adjustment under CCA. Historic accounting would lower the p/e ratio some three points from 8.1 while the yield is 7 per cent but in a generally dull sector there is no lure in ratings like that.

1976 (1975)
Capitalization: £130m (—)
Sales: £360m (£280m)
Pre-tax profits: £45.4m (£39.4m)
Earnings per share: 22.8p (18.3p)
Dividend gross: 12.9p (11.7p)

Barr and Stroud
Pilkington
sows it up

Both Barr and Stroud and Pilkington PE, the precision optical equipment subsidiary of Pilkington Brothers, send 90 per cent of their sales to the Ministry of Defence, so a reference to the Monopolies Commission, this time, would seem unlikely to prove a problem. Neither is the 6m offer in any way a substitute for UK Optical.

The price looks high, but stripping out the £2m worth of investments, the exit p/e ratio drops to 10, which is not out of this world, particularly as control has been gained peacefully.

Barr and Stroud approached Pilkington. The logic does indeed look good: Pilkington PE is only in the business in a small way—it has 325 employees compared with 1,500 at B and S, while B and S has possibly between a quarter and a third of the total UK sales, in markets where the other manufacturer is part of large international concerns.

Northwestward Barr and Stroud's good performance last year is the future potential, particularly in infra-red technology which Pilkington, a road down which they have been difficult for B and S to travel on its own.

The combined group will be the largest of its kind in the country with a wide range of increasingly technological elaborate devices, particularly for night fighting, and through an area in which there should be a lucrative export market.

To Pilkington the issue of 1m shares and £2.2m cash is peanuts but the benefits from Barr and Stroud's research could be substantial. The investment portfolio will be sold, but there is no hurry.

Ladbroke's
Diversification
the key

Sterling's fall helped Ladbroke's roundly-gear casino operations and with made racing bets on the track, the company's diversification into property, hotels, holidays and more recently racecourse and greyhound track management.

And with betting turnover currently recovering strongly and further expansion planned on the cards, it is difficult to envisage this policy declining over the next two years.

Following the successful 50 per cent letting of the massive Square de Meuse office complex in Brussels, which should add at least £2m plus of annual development costs, the group plans to increase its number of investment and dealing developments, though at a traditionally cautious rate.

Meanwhile, holiday and hotel bookings should continue to grow as a result of sterling, though Ladbroke's selective expansion policy in these fields may be a limiting factor.

Meanwhile, with the big four betting chains moving ever closer to a national merger, although Ladbroke claims its market share is still increasing—long-term investment in the shares could depend in part on what new diversifications route the group opts for. This looks particularly relevant since Ladbroke's mainstay is the nationalized bookmakers.

More immediately there are some fears of Budget increases on betting tax and, perhaps, harsher treatment of casino gambling. At 102p after a 2p rise yesterday the shares look securely propped by a p/e ratio of just under 7 and a yield of 6.8 per cent given that profits could reach nearly £19m this year.

Final: 1976 (1975)
Capitalization: £44m (—)
Sales: £313m (£269m)
Pre-tax profits: £15.3m (£12.4m)
Earnings per share: 14.63p (13.1p)
Dividend gross: 6.97p (6.34p)

Dividend control
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The continued uncertainty surrounding the future of the Government has precipitated a scramble within the City, industry and among representative organizations to evaluate Opposition statements, pledges, and speeches as a guide to the policy of Conservative administration. Business News staff have prepared their own preliminary guide to Conservative policy.

What do the Tories stand for?

Industry, energy, prices

"We have repeated consistently our view that the 1975 Industry Act must be repealed. This Act—in contrast to our own 1972 Act—was designed for political not industrial purposes." Michael Heseltine, July 9, 1976
"The return of a new Conservative government will lift the fear of nationalization which is now extending right through industry." Margaret Thatcher, July 9, 1976

NEB
"The National Enterprise Board must be abolished, though we shall have to retain some sort of administrative mechanism for selling off NEB shareholdings where this is possible, and for administering those which cannot be sold off immediately." The Right Approach: A statement of Conservative Aims, October, 1976
"... the powers of the Scottish and Welsh Development Agencies to buy into profitable companies should be removed and as much as possible of the interests of British Shipbuilders and British Aerospace, if the Government does succeed in setting up these nationalized bodies, should be sold off to the private sector." The Right Approach

Planning agreements
"Government should withdraw from its current overbearing role in industrial matters. The battery of weapons for interfering in industry introduced since 1974 must therefore be scrapped. We should repeal the 1975 Industry Act, getting rid of its disclosure provisions and planning agreements." The Right Approach

DoI
"To the overwhelming majority of British companies and their workforce, the Department of Industry is at best wholly irrelevant and at worst an instrument to slow down change and impede innovation, to consume by subsidy rather than invest in capital creation." Michael Heseltine, July 9, 1976
"British industry is now on the receiving end of nearly 34 different forms of interference. Is all this form filling necessary? I doubt it, and we shall see whether we can consign at least some of these forms to the wastepaper basket." Margaret Thatcher, July 9, 1976

NEDC
"The next Conservative government's industrial policy will seek a partnership based on trust between management, trade unions, and the government. In this relationship we shall seek a new and more positive role for the NEDC." The Right Approach

The City, wealth, small businesses
"Of course there are questions about the accountability of our financial institutions and about their relationships with governments that require to be considered. ... Very many of today's most serious worries should be laid at the door of Socialism and not the Government. It is certainly not the City that is failing to produce investment resources. The savings are there in almost surprising abundance. But they are being hoarded up by Government to meet its gross overspending." Sir Geoffrey Howe, September 24, 1976

Wealth
"The theme of personal ownership is central to Conservative thinking and a direct challenge to the collectivist philosophy. ... It will be Conservative policy to remedy the damage done by capital transfer tax, capital gains tax and the Investment Income surcharge—all three of which at present work to undermine personal ownership and concentrate wealth in state hands." Sir Geoffrey Howe, March 22, 1977

Banks
"Implementation of the Labour Party (nationalisation) proposals would create a financial 'concentration of power' unprecedented in the history of this country which must produce damage to the interests of consumers." Sir Geoffrey Howe, November 15, 1976

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Nationalized industries
"The unsatisfactory political framework of the nationalized industries is a prime cause of their inadequate political and economic performance and a source of continuing despair to all who work in them. We shall set targets so that people know what is expected of them in meeting these targets. We shall, in appropriate cases, introduce private capital and, particularly if the Aircraft and Shipbuilding Bill should reach the statute book, we shall sell companies back to their owners." Michael Heseltine, October 7, 1976

Regional policy
"We intend to carry on with the regional policies we pursued in office. ... In this policy area especially, continuity of policy is absolutely essential. We pledge to offer to industry that continuity of assistance (Industry Act 1972) in order to achieve a real breakthrough in solving the difficult long-term problems of the regions." Michael Heseltine, September 11, 1974

Motor industry
"It is true that very large lame ducks present difficult dilemmas—such as British Leyland. I do not say that all the faults are on labour's side. I do not

object will not be to impose plans or targets but to make firms and industries aware of national objectives on the one hand and government aware of the real problems of industry on the other." Michael Heseltine, September 11, 1974
"The ceaseless preoccupation with tripartite strategy for industrial renaissance does not connect with the real world." David Howell, February 9, 1977

Labour, pay
"It is wrong that people who have given years of service can not only lose their jobs because they will not join—or are not accepted by—a union, but also receive no compensation. ... If satisfactory voluntary arrangements are not worked out to take proper account of objections based upon conscience or deeply held personal conviction and length of past service, it will be the duty of government to ensure that effective provision is made. ... Additionally there must be an independent tribunal to safeguard the rights of an individual whose livelihood is endangered by arbitrary exclusion or expulsion from a trade union." The Right Approach

Pay policy
"We must all hope that agreement can be reached on another year of pay restraint—an interim year—which can help reduce our rate of inflation and so improve our competitiveness and job prospects." James Prior, March 16, 1977

The economy, taxation
"Monetary restraint, including the setting of targets for monetary expansion, is a key feature of economic policy, though by no means the only one. Excessive wage claims should clearly not be accommodated by an easy expansion of bank lending. In the public sector this must be supplemented by the use of cash limits. Every organization including those in the public sector should be put in the position in which workers and management are obliged to face together the inescapable choice between realistic pay levels and job security or excessive earnings and a doubtful future." The Right Approach

Personal taxation
"The octopus of tax and social security systems certainly needs simplification. So the case for some kind of tax credit scheme is overwhelming. Capital transfer tax doing grave damage. It will have to be replaced. The next Conservative government will cut top tax rates on investment income. Our target should be the European maximum of 75 per cent."

VAT
"We shall end ... multi-rate value added tax and restore the simple rate of 10 per cent." Sir Geoffrey Howe, May 18, 1976

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have full information. But I do believe that subsidies which support overmanning are bad for the country as a whole." Sir Keith Joseph, October 6, 1976

Corporate rescues
"Ownership by the state is not ownership by the people. It is ownership by the state bureaucracy and no amount of high flown theories can disguise the fact." Michael Heseltine, July 9, 1976
"Receivership is the technique by which resources in business which fail to satisfy the consumer are redeployed where they can be used more profitably." Sir Keith Joseph, October 6, 1976

Energy
"The financial privileges of the British National Oil Corporation should be removed so that it is required to conform to the first to normal commercial disciplines and, where appropriate, to dispose of its assets to willing buyers at reasonable prices." The Right Approach

The Right Approach
"We are determined to keep political interference in check, and in particular not to expose the oil companies to unfair state and subsidized competition." John Biffin, May 14, 1976

Motor industry
"I can conceive of a situation, still some years away, when nuclear power might just offer the only means of ... filling the gap between the power that we can produce from our remaining fossil fuels (primarily

coal) and our total energy requirement." Tom King, February 18, 1977

Prices
"We want to see price controls relaxed so that they become effectively a reserve power and industry allowed maximum price freedom coupled with maximum exposure to competition." Margaret Thatcher, July 9, 1976
"Rigid price control discourages the provision of goods and services because it diminishes or wipes out profit margins. It increases the demand for those goods and services subject to the controls because it enforces artificially low price levels." Margaret Thatcher, March 9, 1977

Prices
"The present price controls (which were not designed to last for ever) are doing more and more damage to business and industry. They have prevented investment, destroyed jobs and limited consumer choice. Further substantial relaxations of the price code are urgently required. There must also be a relaxation of dividend controls to help companies obtain funds for investment and job creation." The Right Approach

Prices
"It is not a question purely of industry's ability to finance itself but of confidence and future profitability, which will determine future levels of investment." Mrs Sally Oppenheim, June, 1976

Prices
"The present system of price control has been positively damaging to industry and employment. However, although the aim should be to dismantle the system, it could not be done immediately because it is important for the consumer to recognize that there is someone in government or authority who can protect him." Sir Geoffrey Howe, July, 1976

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"The ceaseless preoccupation with tripartite strategy for industrial renaissance does not connect with the real world." David Howell, February 9, 1977

Nationalized industries
"The unsatisfactory political framework of the nationalized industries is a prime cause of their inadequate political and economic performance and a source of continuing despair to all who work in them. We shall set targets so that people know what is expected of them in meeting these targets. We shall, in appropriate cases, introduce private capital and, particularly if the Aircraft and Shipbuilding Bill should reach the statute book, we shall sell companies back to their owners." Michael Heseltine, October 7, 1976

Regional policy
"We intend to carry on with the regional policies we pursued in office. ... In this policy area especially, continuity of policy is absolutely essential. We pledge to offer to industry that continuity of assistance (Industry Act 1972) in order to achieve a real breakthrough in solving the difficult long-term problems of the regions." Michael Heseltine, September 11, 1974

Motor industry
"It is true that very large lame ducks present difficult dilemmas—such as British Leyland. I do not say that all the faults are on labour's side. I do not

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Labour, pay
"It is wrong that people who have given years of service can not only lose their jobs because they will not join—or are not accepted by—a union, but also receive no compensation. ... If satisfactory voluntary arrangements are not worked out to take proper account of objections based upon conscience or deeply held personal conviction and length of past service, it will be the duty of government to ensure that effective provision is made. ... Additionally there must be an independent tribunal to safeguard the rights of an individual whose livelihood is endangered by arbitrary exclusion or expulsion from a trade union." The Right Approach

Pay policy
"We must all hope that agreement can be reached on another year of pay restraint—an interim year—which can help reduce our rate of inflation and so improve our competitiveness and job prospects." James Prior, March 16, 1977

The economy, taxation
"Monetary restraint, including the setting of targets for monetary expansion, is a key feature of economic policy, though by no means the only one. Excessive wage claims should clearly not be accommodated by an easy expansion of bank lending. In the public sector this must be supplemented by the use of cash limits. Every organization including those in the public sector should be put in the position in which workers and management are obliged to face together the inescapable choice between realistic pay levels and job security or excessive earnings and a doubtful future." The Right Approach

Personal taxation
"The octopus of tax and social security systems certainly needs simplification. So the case for some kind of tax credit scheme is overwhelming. Capital transfer tax doing grave damage. It will have to be replaced. The next Conservative government will cut top tax rates on investment income. Our target should be the European maximum of 75 per cent."

VAT
"We shall end ... multi-rate value added tax and restore the simple rate of 10 per cent." Sir Geoffrey Howe, May 18, 1976

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Plea for flexible cargo sharing pact between major trading nations

By Peter Hill
Calls for cooperative discussions on a flexible cargo sharing agreement between the EEC and other major trading nations were made in London yesterday by Mr Alexander Marshall, managing director of Peninsular & Orient Steam Navigation.

Against the background of Russian fleet expansion, their cut price freight policies and the debate in the United States over the reservation of oil imports to American flag ships, Mr Marshall said that there was confusion and uncertainty among the developing nations and the members of the Organisation for Economic Cooperation and Development.

"There is a growing threat of confrontation implicit in the United States and Soviet policies. We know from experience, or at any rate we should know, that confrontation makes for instability flowing from the uncoordinated use of resources".

Worldwide, he said, there were now 30 nations applying cargo preference schemes, and with the current discussions in America over cargo preference on oil imports, it was said that the United States, which had declared long range goals of free, unrestricted trade and which had contributed so much to the General Agreement on Tariffs and Trade, should be led astray by dubious arguments in the maritime field.

Mr Marshall conceded that there was a case for protection of infant shipping industries on a temporary basis, but such protection would only make economic sense if it was known that the industries would ultimately survive in a free competitive market.

Outlining the British view to a two-day conference in London organized by the monthly maritime journal, *Seavrade*, he said that any international agreement on cargo preference should be flexible.

Britain was working with its EEC partners to reach a common position. If a joint understanding and commitment within the Community could be reached, this would provide a powerful impetus for cooperative discussions with trading partners across the world, and would lead to a system which would satisfy the needs of the developing and the developed.

"International trade is vitally important to us all. The threats to the public interest from divisive elements should encourage us to recognize our common objectives", he added.

EMI extends Toshiba X-ray scanners deal

By Kenneth Owen
Technology Correspondent

In the face of increasing competition in brain and body X-ray scanners from Hitachi in Japan, EMI is extending its agreement with Toshiba to include some local manufacture in addition to assembly and distribution.

Since the end of 1974 Toshiba has acted as distributor for the EMI scanners in Japan. Brain scanners and body scanners have been shipped partly in knocked down form for final assembly and testing in Japan.

An EMI spokesman in Tokyo said yesterday that local production by Toshiba, using its own manufacturing facilities but EMI technology, would be designed to meet the demand from Japanese hospitals for non-standard equipment.

Local production would supplement and not replace imports of machines from Britain; and should help EMI to meet the competition (including the ability to meet local requirements) from Hitachi.

The spokesman said EMI had sold 30 scanners in Japan (53 brain scanners and 27 body machines), and had a 56 per cent share of the market there in terms of installed machines.

He confirmed that Hitachi represented the most serious competition. Hitachi brain scanners were selling for about 100m yen each (about £200,000), he believed, compared with 135m yen for the EMI scanner. The Japanese company has not yet entered the market with a body-scanning machine.

In London an EMI spokesman confirmed that by the extended agreement with Toshiba the company was "stepping-up the whole attack on the Japanese market".

Extension of the Toshiba agreement is due to take effect from the end of this month.

Last week a £2,500,000 order for 10 EMI brain scanners for a group of Spanish hospitals was announced, bringing the company's scanner sales worldwide to more than 730, worth more than £150m. Of these, more than 500 have been installed in over 30 countries.

Bonn set for £4,000m spending programme

From Peter Norman
Bonn, March 22

A special ministerial meeting in Bonn this afternoon cleared the way for West German cabinet approval of a DM16,000m (nearly £4,000m) medium-term public investment programme and legislative measures adjusting tax rates from the beginning of next year.

The so-called "economic cabinet" met under Dr Hans Friderichs, the economics minister, and Dr Hans Apel, the finance minister, to discuss tomorrow's full cabinet session which is also to discuss revising the Government's energy programme.

Government sources said after the meeting that the investment programme and the tax measures should be approved without difficulty tomorrow, but there is still uncertainty whether a final decision can be reached on the energy programme.

The investment programme is intended to channel a total of DM13,700m from the federal, state and municipal authorities into projects to improve West Germany's economy over the next four years, with the remaining funds coming from the private utility companies.

Although the emphasis of the programme is on improving the basis for longer term economic growth, it will give a boost to employment—particularly in the building industry—during the period of its execution.

Dr Apel recently said that orders worth DM3,400m would be placed this year to be followed up over the next two years. The DM3,400m in 1978, helping to add between 0.5 per cent and 1 per cent to projected growth in these two years.

The tax package, which foundered in the Cabinet last week on a dispute over details between Dr Apel and Dr Friderichs, is now expected to be approved without difficulty.

In its main points—which were agreed on by the two ministers—it will raise value-added tax to 13 per cent from 11 per cent at the beginning of next year and distribute about half the additional government revenue of between DM10,500m and DM12,000m a year in tax relief to businesses and selected groups of individuals.



BLUE CIRCLE GROUP

The Board of Directors of The Associated Portland Cement Manufacturers Limited announce the following results for the Group for the year 1976, subject to completion of audit, with re-stated comparative figures for 1975:—

	1976 £m	1975 £m
Turnover	360.0	279.9
Trading Profits:		
UK	20.6	22.2
Overseas	11.0	7.1
Share of Profits of Associates	31.6	29.3
Investment Income	16.9	15.0
	3.8	1.7
Finance Charges	52.3	46.0
Profit before Taxation	45.4	39.4
Taxation	22.6	22.0
Profit after Taxation	22.8	17.4
Interest of Minority Shareholders	4.4	2.6
Group share of profit after taxation	18.4	14.8
Dividends paid and proposed	6.8	6.2
Earnings per £1 Ordinary Stock Unit	22.8p	18.3p

The Board propose to recommend a final dividend of 5.7744 pence per £1 Ordinary stock unit of the Company (1975 £2.54p) in respect of the year ended 31 December, 1976, which, together with the interim dividend of 2.59 pence (1975 2.35p), makes a total dividend for the year of 8.3644 pence, being the maximum permitted under current Companies Act legislation.

Group share of profit after tax amounts to £18.4m compared to £14.8m for the previous year, an increase of 24.3%. The tax charge for the year has, however, been reduced by £1.5m in respect of prior years and after adjusting for this the increase in profit would be 14.2%. This year additional depreciation to take account of inflation has been included in respect of subsidiaries and principal associates and the results of a Rhodesian subsidiary have been excluded in view of the political situation in that country. The 1975 figures have been re-stated on a similar basis for the purposes of comparison. The Group depreciation charge, including additional depreciation, amounts to £24.3m (1975 £20.8m).

The charge for taxation for 1976 consists of £11.7m Corporation Tax, £4.7m Overseas Tax, £5.9m Associates and £0.3m Equalisation.

Due to the reduction in home cement demand and increasing costs, the trading profits from UK operations have fallen by 7.2%. This figure would have been greater, but for our success in increasing exports by 30.8% as compared with the previous year. The already inadequate return on assets employed in U.K. cement operations has fallen still further.

In contrast, operations from overseas showed continued growth notwithstanding the loss arising from the devaluation of the Mexican peso and resulting trading conditions in that country.

The Annual Report and Accounts will be despatched to stockholders on 12 April 1977 and the Annual General Meeting will be held on 5 May 1977. The proposed Final Ordinary Dividend, if approved, will be paid on 16 May 1977 to stockholders on the register at the close of business on 15 April 1977.

H. W. R. Ham
Secretary

22 March 1977

Portland House, Stag Place, London SW1E 5BJ

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Mr Alexander Marshall: world confrontation threat.

Patent news Japanese method of cutting steel using water

Approaching one in ten new inventions patented in this country now originate from Japan, thereby laying the old ghost that the Orient is content to plagiarize ideas from the West.

Marushita Electric Industrial Company of Osaka, Japan (currently with 50,000 live patents round the world) claims in new British patent 1,457,438 to have discovered an easy way to cut heavy metal. It is already known to cut a swathe through metal, by super-heating a strip with an electric arc and blowing the molten metal away with an air jet.

Smoke, however, produces much of the surrounding atmosphere. The Japanese claim as a rather surprising answer the technique of blasting a jet of water, rather than air, at the strip to be cut.

In practice, rapewater is mixed with compressed air and the turbulent mixture fed along a hose to what resembles a conventional arc welding tool. Hand-operated valves enable the workman to cut through metal sheet simply by sweeping the double-action tool across its surface.

Radiation health aid

Various schemes have been proposed for sterilizing goods such as surgical equipment after they have been packaged. Lasers and X-rays, for instance, have been tried. Now Sulzer Brothers of Switzerland, in BP1 457 996, claim success with gamma-radiation as emitted from radioactive materials.

Although radiation-sterilization is not in itself new, Sulzer propose an answer to one major problem encountered so far. This is that when you bombard anything with gamma-rays they are absorbed and converted into heat, so the object gets very hot and either destroys itself or its packaging or both.

Sulzer have devised a fully automatic honeycomb of tubes, some containing radioactive rods and others guiding air or water, to serve as a super-efficient cooling system. In this way, it is claimed, it is possible to keep the temperature of whatever is being sterilized low, while killing germs trapped inside the sealed package.

Adrian Hope

Business appointments Changes on Imperial Group board

Mr P. M. Davies, group secretary, has joined the board of Imperial Group. Mr McKinnon becomes finance director after the retirement of Mr W. G. McFadyen. Mr A. M. Reid is to be commercial director of Imperial Tobacco from July 1 and is to be succeeded as assistant managing director of John Player and Sons by Mr K. G. Robertson.

Mr Alexander Hodge has succeeded Mr Thomas Risk as chairman of Standard Life Assurance. Mr Risk remains a director. Mr Desmond Mitchell has been made deputy chairman. Mr Ian Pitman has retired from the board.

Mr Brian Shaw, managing director and chief executive of the Furness Withy Group, has joined the board of Grindlays Bank. Mr R. O. Yang, a deputy chairman of the bank, has become general manager and director of Lloyds Bank, has become a director of Grindlays Holdings.

Mr Leonard Goehner became deputy chairman of the South Eastern Electricity Board on March 14. He succeeded Mr John Wedgwood who was made chairman last month. Mr Goehner is secretary of the South of Scotland Electricity Board, is to succeed Mr S. F. Whitmore as deputy chairman of the South Western Electricity Board on April 1.

Mr Allen Russell has left Ford Motor Co to join Leyland Truck and Bus as marketing director.

Mr J. Clapton has been made deputy chairman of the bank. Mr Davis managing director of F. J. Wallis. Mr G. Frampton joins the board.

Mr E. Willeit, aviation underwriter of Orion Insurance, has been elected chairman of the Aviation Insurance Offices Association.

Mr W. H. Patton, group development executive of Daniel Doonan & Sons, the new president of the National Association of Drop Forgers and Stampers.

Mr C. J. B. Whitehead, Mr A. C. Doulton, Mr J. Shelbourne, Mr C. N. Bedford, Mr M. O'Brien, Mr T. F. Road, and Mr J. R. Wain are to join the partnership of W. L. Carr, Sons on April 12. Mr R. A. Warren is retiring.

Mr D. E. Coleridge has been made chairman of a new company, A. L. Sturge (Syndicates) Management. The new directors are Mr H. R. Rokeby-Johnson, Mr J. H. Maughan, Mr B. E. Beagley, Mr J. H. Carter, Mr J. H. Hudson, Mr A. G. Lee, Mr D. R. Kirsch, Mr A. G. Lee, Mr C. G. Mabey, Mr C. W. Spradley and Mr C. M. Vellor.

Mr K. Rawlinson has become director and general manager of Dey Oil.

Mr H. Fryer, deputy managing director and marketing director of CIBA Laboratories, is to become managing director of the pharmaceuticals division of CIBA-Geigy (ADP).

Mr Nicholas Shaw is now vice-president of Citibank N.A. Mr Alan Saunders and Mr David Walker have become directors of Hogg Robinson. Mr Geoffrey Marshall joins the board of Hogg Robinson (Life & Pensions) and Hogg Robinson (Pensions Management).

Mr M. L. Pearce is appointed managing director of Gerard & National (Fund Management) from April 6.

OECD calls on Swiss to do more about stimulating economy

From Peter Norman
Bern, March 22

Switzerland, which last year was alone among the industrialized countries in bringing inflation to a standstill, is now being urged by the Organisation for Economic Cooperation and Development to do more to stimulate its domestic economy.

For while the Swiss have stopped price rises and, thanks to the repatriation of foreign workers, have experienced no serious unemployment problem, their economy is likely to grow this year only a little after two years of deep recession.

The OECD's annual report on the Swiss economy sees little chance of last year's slight strengthening of economic activity developing into a sustained recovery in 1977.

The expected slowdown in world trade and structural problems in the Swiss economy mean gross national product is likely to rise in real terms only 0.5 per cent this year after falling 7.6 per cent in 1975 and 0.1 per cent last year.

At the same time, Switzerland's current account balance of payments surplus, which last year amounted to 3,080 million francs (about £2,100m) or a substantial 6 per cent of GNP, could continue to grow to show a surplus of close to 9,500 million francs.

The OECD sees a real danger of Switzerland's high current account balance of payments surplus forcing the already strong Swiss franc even higher on foreign exchange markets and making Swiss products increasingly uncompetitive at home and on world markets.

It would like to see Switzerland boost its economy and bring the current account surplus down to a contribution to world efforts designed to even out divergences in the balance of payments performances of individual nations.

The OECD, therefore, says that Swiss demand management policy should remain expansionary, that a liberal stance in monetary policy should be maintained and that the country's public finance policy should continue to support economic activity. Specifically, it suggests that Switzerland should not be afraid to enlarge its public sector deficit or allow an increase in private demand.

Looking further ahead, the OECD would like to see a reform of the Swiss tax system to ensure that tax receipts keep pace with the growth of national income and federal expenditure. The organization favours the proposed introduction of value-added tax, which is due to be put to a popular vote this summer and scheduled for introduction at the beginning of next year.

Industrial trade within the EEC edging up

Brussels, March 22.—Underlying trade in industrial production within the European Community continues to inch upwards, but industry still has available a substantial margin of unused capacity, the EEC Commission says.

In its latest graphs and notes on the economic situation in the Community, the Commission said that despite the somewhat more favourable production expectations revealed by business surveys in early 1977, actual orders in hand are at a low level.

Until now expansion of industrial output in the Community as a whole had been underpinned mainly by demand for consumer durables, but recently business investment had shown some improvement in a number of countries, notably West Germany, The Netherlands and Britain. This helped to sustain production of intermediate goods.

The labour market was expanding while the number of persons working was not showing any significant rise.

Divergent inflationary trends remained as severe as early 1977 as before. Food prices and public charges moved up appreciably, as did prices for certain imports.

The increase in consumer prices averaged an annual rate of 14 per cent in January, up from 11.5 per cent in December.

Unctad hopes for commodity fund

From Alan McGregor
Geneva, March 22

Guarded optimism is clearly evident at the Unctad negotiating conference on a commodity fund—extension of the proposed integrated programme for 18 main commodities—now over the halfway mark in its scheduled four-week session.

The optimism is mainly among the World Bank and in the Unctad secretariat and is attributable largely to the "new" American attitude.

Abandoning reticence associated with its predecessor, the Carter Administration has said it has no prior objection to a commodity fund for individual-agreed buffer stocks.

The Group of 77 see the changed American position as bound to prod the West Germans, hitherto primarily responsible for the Community dragging its feet.

But, though both the United States and the EEC are now committed to specific negotiations, there is no anticipation of this conference, even if extended for a few days, producing the agreed blueprint for the fund, as was envisaged at last year's Unctad four conference in Nairobi.

If some basic lines at least are drawn, the concept is at long last moving forward. Their aim then would probably be to finish the job at a further conference here in September so that the whole package could be put to the next General Assembly, assuming no unexpected political developments in Community countries in the meantime.

If it seems unrealistically rapid to many Western delegates, they do acknowledge, however, that government thinking has evolved since Nairobi, even if not yet manifested in policy statements.

The Unctad estimate is that stocks for the initial 10 "core" commodities, including cocoa, coffee and tea, would cost about \$5,000m (about £2,941m) in the period 1979-84.

Commonwealth of Australia Twenty Year 5 1/2% Bonds Due May 1, 1985

Twenty Year 5 1/2% Bonds Due May 1, 1985

To the Holders of the above-described Bonds:

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Bonds of the above-described issue, Morgan Guaranty Trust Company of New York, as Sinking Fund Agent, has drawn by lot for redemption on May 1, 1977 at 100% of the principal amount thereof through operation of the Sinking Fund, \$829,000 principal amount of said Bonds bearing the following numbers:

4	844	2208	3504	5052	8244	7710	8932	10157	11436	13442	14655	16113	17838	19378	21757	23823
5	846	2234	3529	5111	8272	7748	8969	10289	11452	13510	14652	16340	17915	19379	21758	23823
6	847	2237	3530	5112	8273	7749	8970	10290	11453	13511	14653	16341	17920	19380	21759	23823
7	848	2247	3531	5113	8274	7749	8971	10291	11454	13512	14654	16342	17921	19381	21760	23823
8	849	2257	3532	5114	8275	7750	8972	10292	11455	13513	14655	16343	17922	19382	21761	23823
9	850	2267	3533	5115	8276	7751	8973	10293	11456	13514	14656	16344	17923	19383	21762	23823
10	851	2277	3534	5116	8277	7752	8974	10294	11457	13515	14657	16345	17924	19384	21763	23823
11	852	2287	3535	5117	8278	7753	8975	10295	11458	13516	14658	16346	17925	19385	21764	23823
12	853	2297	3536	5118	8279	7754	8976	10296	11459	13517	14659	16347	17926	19386	21765	23823
13	854	2307	3537	5119	8280	7755	8977	10297	11460	13518	14660	16348	17927	19387	21766	23823
14	855	2317	3538	5120	8281	7756	8978	10298	11461	13519	14661	16349	17928	19388	21767	23823
15	856	2327	3539	5121	8282	7757	8979	10299	11462	13520	14662	16350	17929	19389	21768	23823
16	857	2337	3540	5122	8283	7758	8980	10300	11463	13521	14663	16351	17930	19390	21769	23823
17	858	2347	3541	5123	8284	7759	8981	10301	11464	13522	14664	16352	17931	19391	21770	23823
18	859	2357	3542	5124	8285	7760	8982	10302	11465	13523	14665	16353	17932	19392	21771	23823
19	860	2367	3543	5125	8286	7761	8983	10303	11466	13524	14666	16354	17933	19393	21772	23823
20	861	2377	3544	5126	8287	7762	8984	10304	11467	13525	14667	16355	17934	19394	21773	23823
21	862	2387	3545	5127	8288	7763	8985	10305	11468	13526	14668	16356	17935	19395	21774	23823
22	863	2397	3546	5128	8289	7764	8986	10306	11469	13527	14669	16357	17936	19396	21775	23823
23	864	2407	3547	5129	8290	7765	8987	10307	11470	13528	14670	16358	17937	19397	21776	23823
24	865	2417	3548	5130	8291	7766	8988	10308	11471	13529	14671	16359	17938	19398	21777	23823
25	866	2427	3549	5131	8292	7767	8989	10309	11472	13530	14672	16360	17939	19399	21778	23823
26	867	2437	3550	5132	8293	7768	8990	10310	11473	13531	14673	16361	17940	19400	21779	23823
27	868	2447	3551	5133	8294	7769	8991	10311	11474	13532	14674	16362	17941	19401	21780	23823
28	869	2457	3552	5134	8295	7770	8992	10312	11475	13533	14675	16363	17942	19402	21781	23823
29	870	2467	3553	5135	8296	7771	8993	10313	11476	13534	14676	16364	17943	19403	21782	23823
30	871	2477	3554	5136	8297	7772	8994	10314	11477	13535	14677	16365	17944	19404	21783	23823
31	872	2487	3555	5137	8298	7773	8995	10315	11478	13536	14678	16366	17945	19405	21784	23823
32	873	2497	3556	5138	8299	7774	8996	10316	11479	13537	14679	16367	17946	19406	21785	23823
33	874	2507	3557	5139	8300	7775	8997	10317	11480	13538	14680	16368	17947	19407	21786	23823
34	875	2517	3558	5140	8301	7776	8998	10318	11481	13539	14681	16369	17948	19408	21787	23823
35	876	2527	3559	5141	8302	7777	8999	10319	11482	13540	14682	16370	17949	19409	21788	23823
36	877	2537	3560	5142	8303	7778	9000	10320	11483	13541	14683	16371	17950	19410	21789	23823
37	878	2547	3561	5143	8304	7779	9001	10321	11484	13542	14684	16372	17951	19411	21790	23823
38	879	2557	3562	5144	8305	7780	9002	10322	11485	13543	14685	16373	17952	19412	21791	23823
39	880	2567	3563	5145	8306	7781	9003	10323	11486	13544	14686	16374	17953	19413	21792	23823
40	881	2577	3564	5146	8307	7782	9004	10324	11487	13545	14687	16375	17954	19414	21793	23823
41	882	2587	3565	5147	8308	7783	9005	10325	11488	13546	14688	16376	17955	19415	21794	23823
42	883	2597	3566	5148	8309	7784	9006	10326	11489	13547	14689	16377	17956	19416	21795	23823
43	884	2607	3567	5149	8310	7785	9007	10327	11490	13548	14690	16378	17957	19417	21796	23823
44	885	2617	3568	5150	8311	7786	9008	10328	11491	13549	14691	16379	17958	19418	21797	23823
45	886	2627	3569	5151	8312	7787	9009	10329	11492	13550	14692	16380	17959	19419	21798	23823
46	887	2637	3570	5152	8313	7788	9010	10330	11493	13551	14693	16381	17960	19420	21799	23823
47	888	2647	3571	5153	8314	7789	9011	10331	11494	13552	14694	16382	17961	19421	21800	23823
48	889	2657	3572	5154	8315	7790	9012	10332	11495	13553	14695	16383	17962	19422	21801	23823
49	890	2667	3573	5155	8316	7791	9013	10333	11496	13554	14696	16384	17963	19423	21802	23823
50	891	2677	3574	5156	8317	7792	9014	10334	11497	13555	14697	16385	17964	19424	21803	23823
51	892	2687	3575	5157	8318	7793	9015	10335	11498	13556	14698	16386	17965	19425	21804	23823
52	893	2697	3576	5158	8319	7794	9016	10336	11499	13557	14699	16387	17966	19426	21805	23823
53	894	2707	3577	5159	8320	7795	9017	10337	11500	13558	14700	16388	17967	19427	21806	23823
54	895	2717	3578	5160	8321	7796	9018	10338	11501	13559	14701	16389	17968	19428	21807	23823
55	896	2727	3579	5161	8322	7797	9019	10339	11502	13560	14702	16390	17969	19429	21808	23823
56	897	2737	3580	5162	8323	7798	9020	10340	11503	13561	14703	16391	17970	19430	21809	23823
57	898	2747	3581	5163	8324	7799	9021	10341	11504	13562	14704	16392	17971	19431	21810	23823
58	899	2757	3582	5164	8325	7800	9022	10342	11505	13563	14705	16393	17972	19432	21811	23823
59	900	2767	3583	5165	8326	7801	9023	10343	11506	13564	14706	16394	17973	19433	21812	23823
60	901	2777	3584	5166	8327	7802	9024	10344	11507	13565	14707	16395	17974	19434	21813	23823
61	902	2787	3585	5167	8328	7803	9025	10345	11508	13566	14708	16396	17975	19435	21814	23823
62	903	2797	3586	5168	8329	7804	9026	10346	11509	13567	14709	16397	17976	19436	21815	23823
63	904	2807	3587	5169	8330	7805	9027	10347	11510	13568	14710	16398	17977	19437	21816	23823
64	905	2817	3588	5170	8331	7806	9028	10348	11511	13569	14711	16399	17978	19438	21817	23823
65	906	2827	3589	5171	8332	7807	9029	10349	11512	13570	14712	16400	17979	19439	21818	23823
66	907	2837	3590	5172	8333	7808	9030	10350	11513	13571	14713	16401	17980	19440	21819	23823
67	908	2847	3591	5173	8334	7809	9031	10351	11514	13572	14714	16402	17981	19441	21820	23823
68	909	2857	3592	5174	8335	7810	9032	10352	11515	13573	14715	16403	17982	19442	21821	23823
69	910	2867	3593	5175	8336	7811	9033	10353	11516	13574	14716	16404	17983	19443	21822	23823
70	911	2877	3594	5176	8337	7812	9034	10354	11517	13575	14717	16405	17984	19444	21823	23823
71	912	2887	3595	5177	8338	7813	9035	10355	11518	13576	14718	16406	17985	19445	21824	23823
72	913	2897	3596	5178	8339	7814	9036	10356	11519	13577	14719	16407	17986	19446	21825	23823
73	914	2907	3597	5179	8340	7815	9037	10357	11520	13578	14720	16408	17987	19447	21826	23823
74	915	2917	3598	5180	8341	7816	9038	10358	11521	13579	14721	16409	17988	19448	21827	23823
75	916	2927	3599	5181	8342	7817	9039	10359	11522	13580	14722	16410	17989	19449	21828	23823
76	917	2937	3600	5182	8343	7818	9040	10360	11523	13581	14723	16411	17990	19450	21829	23823
77	918	2947	3601	5183	8344	7819	9041	10361	11524	13582	14724	16412	17991	19451	21830	23823
78	919	2957	3602	5184	8345	7820	9042	10362	11525	13583	14725	16413	17992	19452	21831	23823
79	920	2967	360													

Industrial
trade within
the EEC
dging up

FINANCIAL NEWS AND MARKET REPORTS

Stock markets

Equities bounce back, but trade is thin

Shares recovered a good part of Monday's hefty losses even though many prices were well below their best by the close.

Dealers said the main impetus for the advance came from "bear" closing with the longer-term investors preferring to stay on the sidelines until the present political uncertainty is resolved one way or the other.

The FT Index was 3.8 better by 2 pm, but as the interest waned it fell back to close exactly five points up at 419.4.

The oil sector is confident that OPEC's forthcoming annual meeting will bring good news on the all-important Indonesia gas project. The word is that it will come on stream several months ahead of schedule, originally set for the second half of the year. Profits from the venture alone could eventually reach \$8m and transform the group. All this is reflected in the shares which traded at a firm 150p.

In the gilt-edged market, trading was also much lighter with what interest there was centred on shorter dates, where the prospect of another cut in the Minimum Lending Rate acted as an additional incentive. Gains among the "shorts" stretched to five eighths with longer dates ending at or just above overnight levels as recent profit-taking dried up.

Bid activity sprang to life again. Foremost was Barr & Stroud which soared from 175p to 360p, still some way short of the bid price of 590p from Pilkington. The share was mentioned there as a possible bid candidate earlier this year.

Another to receive terms was F. J. Wallis, a long-standing market candidate, which jum-

ped 16p to 63p after a move by BAT subsidiary, International Stores. Elsewhere, Cavenham were at a weak 128p after a denial that another bid from the parent was imminent.

The Wallis bid prompted a firmer showing from other food shares with Sainsbury up 4p to 139p, Associated Dairies 4p to 266p, Dejam 2p to 103p and still helped by recent figures, and Booker McConnell, which put on 5p to 143p ahead of a statement.

With fears receding that compensation terms might be delayed, shipbuilding shares made firm showing with Robb Caledon better by 5p to 75p, Hawthorn Leslie 5p to 55p and Swan Hunter 3p to 85p. In a firm shipping sector, Turoball Scott "A" rose another 10p to 305p in a thin market, European Ferries were active at 58p and Manchester Liners held firm at 260p ahead of figures this week.

Among the leaders, Unilever soared 10p to 470p and there were rises in group shares at 357p, Beecham 443p, Glaxo at 488p and ICI at 357p. Addi-

tionally helped by the chairman's remarks, Turner & Newall firmed 6p to a close 163p.

In stores, tax-cut hopes were again the main impetus with Gus "A" advancing 6p to 266p and British Home Stores up 5p to 184p. Ahead of figures, BICC advanced 6p to 113p in electricals where Rank put on 4p to 112p, but Decca "A" slipped 3p to 283p.

In the building sector, profits rather below expectations and a downturn in United Kingdom operations did nothing for AP Cement which slipped 3p to 185p.

Concern over corruption allegations against two subsidiaries, left Bryant Holdings 2p lower at 18p. Wm. Press rose 3p to 53p on more bid talk.

The higher tea price continued to benefit the related shares with Demid up 3p to 40p, Moran 10p to 235p, Warren 8p to 154p and Longbourne 15p to 190p. Companies with hopes for an easing of dividend restraint included James Finlay, better by 3p to 203p, Gill & Duffus, the commodity group which has also been subject to

takeover talk, up 6p to 196p and J. Bibby which put on 5p to 123p.

In the financial sector, the best rises came from the overseas banks, with NSW Bank gaining 15p to 420p, ANZ Group 5p to 283p and Australia Commerce Bank 5p to 240p.

Among composite insurers, Royal were up 4p to 330p after the previous day's heavy fall, while the best of the brokers was Sedgwick Forbes with a rise of 6p to 286p.

Smith and Nephew, the elastoplastics-cosmetics group, should create a pleasant surprise with its full-year figures, which are due tomorrow. Analysts have been going for around £12.75m against £11.8m in 1975, but there are growing hopes of something better and £13m now looks the more likely figure.

In oils BP continued to lose ground and were 6p lower at 830p, but Shell managed a modest 2p gain to finish at 500p.

In the mining sector, gold shares fell with the bullion prices, but two features were to be found in Pacific Copper up 3p to 46p after comment and Globe & Phoenix better by 3p to 46p on news of a plan for another mine.

Figures helped Ladbroke to rise 3p to 102p. Sharma Ware 4p to 45p and Home Counties News 6p to 42p. Weir Group eased after hours on figures.

Equity turnover on March 21 was £66.10m (17,425 bargains). According to Exchange Telegraph, active stocks yesterday were Courtaulds, Plessey, Turner & Newall, Unilever, National Westminster, GEC floating rate notes, Beecham, Shell, Disasters, BICC, BP, BAT, Did, Burnah, ICI, Pacific Copper, Swan Hunter, Wm Press, Racal, European Ferries, Wilmot-Breen, Warren Holdings and F J Wallis.

Latest dividends

Company (and par value)	Ord div	Year	Pay	Year's	Prev
AP Cement (5s) Fin	1.77	30	16.5	8.36	7.8
Boddingtons Brews (25p) Fin	1.5	0.72	12.5	1.41	1.28
Broom's Eng (10p) Fin	2.99	2.6	25.4	4.24	3.85
Ruby & Bisco (175p) Fin	1.12	1.73	10.3	2.75	3.2
Cir & Int (100p) Fin	1.12	3.61	9.5	5.36	5.26
CSC Investment (25p) Fin	2.75	2.25	9.5	2.5	3.0
Hall Bros Steam (5s) Fin	2.75	1.85	16.5	1.5	1.2
Home Counties News (25p) Fin	2.75	1.85	16.5	1.5	1.2
John J. Jacobs (20p) Fin	2.75	1.85	16.5	1.5	1.2
Ladbroke Group (10p) Fin	2.75	1.85	16.5	1.5	1.2
Malayan (25p) Int	4	13.5	—	—	—
Mont Boston Inv (10p) Fin	0.37	0.37	9.5	0.87	0.87
Ricardo, Engineers (25p) Int	1.37	1.37	—	—	—
Riverview Rubber (5s) Int	3	27.4	—	—	—
Scots Nium Inv (25p) Fin	1.98	1.5	—	—	—
Sharma Ware (20p) Fin	1.17	1.95	—	—	—
S. Malayan (10p) Int	4	13.5	—	—	—
Tomatin Distillers (25p) Fin	1.37	1.62	28.4	2.68	2.43
Tratford Park (25p) Int	1.54	1.4	30.5	—	—
Walmington (25p) Fin	2.15	1.96	—	—	—
Weir Group (25p) Fin	2.9	2.9	—	—	—

Dividends in this table are shown net of tax on peace per share. Elsewhere in Business News dividends are shown on a gross basis. To establish gross multiply the net dividend by 1.54. * As forecast. † Adjusted for scrip. ‡ Cents per share.

Bumper £7.5m from Weir Group -and salt pay-off still to come

Weir Group's position as one of the top three desalination plant contractors in the Middle East barely helped profits to surge ahead by 2.1 percent to a record £7.5m in 1976; but it stands to make a significant impact this year.

Although the board are looking for more than a "modest advance" in 1977, the bulk of the desalination contracts profit comes through this year and next.

With a Qatar project adding £35m to the desalination workload, Weir now has about £125m of this type of work on its books. Yields for such contracts range between 3 per cent to a maximum 7 per cent, so the aggregate profit contribution for 1977 and 1978 could, if all works well, match the

1976 pre-tax total. No problems have been encountered on progress payments, apparently, so the work is largely self-financing.

At home, Weir has had to provide £740,000 for closure of the Yoker pump factory whose work has been absorbed by two other pump plants. But the foundry and pump divisions are to receive almost all the £2.5m-£3m capital investment in 1977; and the board reports that orders are far less "lumpy" than last year, for example, output for aircraft industry was almost entirely concentrated in the second half.

Some £3m will be injected into the pump business in the next two years while the investment in foundries will be

helped by a 40 per cent ferrous foundries grant.

The expenditure is being financed by depreciation and is thus well within cash flow. Retentions are being used to cut gearing, which has been slashed in the past two years from 160 per cent to around 90 per cent at the last balance sheet date.

The order-book stands at £200m (against about £120m a year ago) and exports both direct and indirect, worth about a fifth of last year's £130.12m total, are assuming increasing significance.

The shares were unchanged yesterday at 89p where the dividend of 7.28p gross a share (against 6.6p) yields 8.1 per cent.

Swoop on F J Wallis

BAT tries shops again

International Stores appears to have timed its £56m cash bid for supermarket chain, F. J. Wallis, with uncanny accuracy. Several members of the Wallis board, including chairman Mr D. J. Glynn, have been ill over the past year and certain others have left.

While the essential management strengths, widely recognized in the market yesterday, have been unimpaired, certain elements of long strategy have gone awry.

Crucially, the F. J. Wallis Settlement, has proved out of step with the aims of the executive board. The bid, which Wallis discovered at around midnight on Monday night, has already been accepted by one Wallis director, Mr E. T. Blythe, on behalf of the trust and others have been advised also pitched in giving International Stores instant control of over 50 per cent.

On tactical grounds, too, Wallis has been left on the sidelines since a new merchant banking adviser, Morgan Grenfell, was appointed only last Friday and would have taken some time to build the ramparts of a defence should, as some expected, Wallis have decided to resist.

In addition, the disruption

and resignations from the boardroom meant that Wallis had to defer investment decisions and, while plans for a five year programme for new larger shops are now under way, the group had been accumulating a tempting pile of cash.

The latest balance sheet for the year to 1 January last shows no overdrafts and cash and short term deposits of £9.94m. But it is understood that management and Economics of Scale - rather than cash are International's chief targets. Wallis pushed profits in a harsh trading climate up by 34 per cent last year to a peak £5.5m and, although the pressure on gross margins intensified, the pre-tax return on turnover improved from 4.07 per cent to 4.35 per cent. Sales grew by £16.5m to £80.24m.

This year the group is looking for maintained major sales in the first eight weeks followed by 23 per cent. With tight control on overheads, which are building up less quickly this year, a percentage decline in the depreciation charge, promotions, modernization and a growing financial position the historic 9/5 ratio of 12.3 is not particularly generous.

The instant market reaction was to look at the likely repercussions on other small stores groups. Indeed, for example, Linfo, for example, climbed 2p to 238p while

Lemons rose 4p to 35p. But it may be that over the longer term, International Stores will aim somewhat higher than these.

Its problems have been profound. A total of over 300 stores, almost a third of the total, have been closed since the autumn of 1975 in an attempt to build an increased average outlet size into the portfolio.

It is no coincidence that Wallis operates at an average floor space of 5,000 sq ft, some 2,000 sq ft per store greater than International, whose margins bear scant comparison. For example, International made £3.1m pre-tax in the year to end-September last on sales of almost £300m. This relative failure is accounted for by the dramatic shift in the retail sector as a whole that has occurred since the economic crisis of 1974. With cost-inflation overtaking price-inflation, economies of scale are the major priority.

It is doubtful, given a 10 per cent cost of money charge, whether International has "washed its face" since its £62m acquisition by BAT Industries. The board are stepping up International's "re-cycling programme" with 500,000 sq ft of large store development starting to come on stream this summer.

Ray Maughan

Y. J. LOVELL (HOLDINGS) LIMITED

MAIN GROUP ACTIVITIES: Building, Residential and Commercial Developments, Plant Hire, Timber Importing and Merchandising

A year of success

SUMMARISED RESULTS

	1976	1975
Group Turnover	£200	£200
Trading Profit before Taxation	47,337	39,516
Profit before Taxation	1,525	1,382
Ordinary Dividend 3.43p per share (1975-2.11p)	682	649
Earnings per Ordinary share	239	127
(As approved by the Treasury on increased capital)	10.7p	10.4p

Extracts from Address to Shareholders by the Chairman, Peter Trench

"... While we are still obtaining our fair share of quality enquiries for construction we steadfastly refuse to take contracts at uneconomic prices. I am, however, more optimistic that the residential and commercial development sectors could see a return to real confidence this year. Because of its close relationship to housebuilding this applies equally to our timber division."

"... The overseas market must be taken seriously and it is in shareholders' long term interests that we broaden our geographical base."

"... Despite the gloomy prediction for the industry generally, as a Group we have started the present year well and I am not too despondent about finishing the year in reasonable style."

LOVELL

imperial

IMPERIAL GROUP LIMITED

Extracts from the statement by Mr. John Pile, Chairman, at the Annual General Meeting held in London on 22nd March 1977

PROFITS AND INVESTMENT

The increase in Group profit before tax from £106.8 million to £129.6 million, a rise of 21.3%, was no bad performance in a year so full of gloom in British industry. The need for greater profitability in British industry is now more widely recognised. The profits of Imperial are not yet great enough for the good of the total enterprise, but nevertheless, in the current year we are planning to spend in excess of £80 million on new fixed investment, some £30 million more than last year. We are sure that this is right in the long term interests of our Company.

PRICE CONTROL

With our considerable continuing success in the market place we would normally have expected to provide this new investment out of cash flow. We will, of course, make every effort to do so, but the effect of the Price Code over the last 3½ years has been to erode our profits and those of other companies to the point where the Code itself became ineffective. It is now intended to alter it, with new provisions apparently dictated by power politics. The proposals are vague and the effect of implementing them would be to bring to commercial decision-taking a whole new area of uncertainty. Uncertainty is the enemy of planning and therefore of investment. Price control should be abolished in its entirety. The market place will ensure, as it does at present, that prices remain fair. Increased profits should be actively encouraged by Government so that British industry can regain the strength to develop the factories and

products and the skills which, together, can enable us to prosper.

MANAGERS

Disillusionment is widespread amongst managers at all levels. They feel undervalued, and they are. The management of our Group is second to none: those of us who have visited companies and business schools in other countries can testify to that. But thousands of managers and professionally qualified men have already left this country for places where their skills are better appreciated - including, I am sad to say, some men from this Company. And those, usually with little experience of industry, who speak slightly of the British manager should be asked "Why then is he so keenly sought after by firms in other countries?" It is to be fervently hoped that our present Chancellor will show his understanding of this problem in a practical way when he speaks next Tuesday, and that whatever agreement the Government may make with the TUC on the next phase of the pay policy, the plight of the manager will not once again be overlooked.

SMOKING AND HEALTH

I am pleased to be able to say that our Tobacco Division, together with the rest of the UK industry, has continued to have a good working relationship with the Department of Health and Social Security. To quote the Secretary of State when he announced details of a new voluntary three-year agreement with the industry on 8th March, "The industry has been helpful and constructive during these discussions and I would like to make public acknowledgement of that." We believe that this agreement will bring greater stability to the industry in the field of smoking and health and therefore will be in its longer term interests. Further, we have all co-operated since 1973 with the Independent Scientific Committee on Smoking & Health, now commonly known as the Hunter Committee, with particular reference to the clearance for marketing of tobacco substitutes and additives. This Committee is due to meet on Friday next and we look forward to getting early clearance for NSM, our new tobacco substitute.

PROSPECTS FOR THE CURRENT YEAR

Unless some blow is struck at us - perhaps in next week's Budget - we expect the half year results to show some slight advance over the corresponding period of the previous year - and this despite artificially high sales in that latter period following the change in the tobacco duty structure. Beyond that the imponderables are much greater. The pay policy, price control, fiscal policy, inflation - even the weather affects us. But, against that, our main products have proved their wide appeal. Indeed, to many people they are essential for the full enjoyment of life. We have a strong and deter-

mined management, well able to adapt our companies if necessary to changing times. In the past I have referred to the advantage gained by a Group of our kind from the fact that if one Division or Unit is suffering some special difficulty this will normally be counterbalanced by improved results elsewhere. With that thought to comfort me I am as convinced as any company chairman can be in these uncertain times that the profits for the current year will, in historic terms, be at least as high as those of the previous year, and that we are well poised for increased success in 1978 and beyond.

Consolidated Results in Brief

£ million	1976	1975
GROUP SALES	2,806.22	2,363.74
SUMMARY OF PROFIT AND LOSS ACCOUNTS		
Group trading surplus before taxation	151.33	138.87
Interest charges	38.53	44.85
Investment income	16.77	14.53
GROUP PROFIT BEFORE TAXATION	129.57	108.55
Group profit before deferred taxation	86.35	89.46
GROUP PROFIT AFTER ALL TAXATION (excluding extraordinary items)	65.37	62.66
APPLIED AS FOLLOWS		
Revenue reserves	29.58	20.13
Ordinary dividends	35.79	32.53
Extraordinary items transferred to revenue reserves	13.66	57.56
SUMMARY OF BALANCE SHEETS		
Group operating capital	1,011.20	982.97
*Investments	250.00	242.36
	1,261.20	1,225.33
Net assets at book value	735.33	706.25
KEY STATISTICS		
Earnings per share (excluding extraordinary items)	3.3p	2.6p
Dividend per share	5.08p	4.50p
Dividend—times covered	1.6	1.4
Interest—times covered	4.4	3.4
Net assets at book value in pence per share:		
Trading	69.7	65.7
*Investments	35.4	34.3
	104.1p	100.0p
Loan capital and short term borrowings as a percentage of net assets at book value excluding goodwill	69.8%	102.6%
*At 4th February 1977 the total value of investments was £282.2 million equivalent to 40.0 pence per share.		



Mr. John Pile, Chairman, Imperial Group Limited

"WE ARE WELL POISED FOR INCREASED SUCCESS IN 1978 AND BEYOND"

Volume sales increase helps Bayer to shine

Secretary (Business
302,
City Business School,
House, 23 Gosnell
CIM 7BB

[illegible]

Stock Exchange Prices

Solid gains

Account Days : Dealings Began, March 14. Dealings End, March 25. § Contrango Day, March 28. Settlement Day, April 5

§ Forward bargains are permitted on two previous days.

SURVEYORS VALUERS AND AUCTIONEERS OF REAL ESTATE

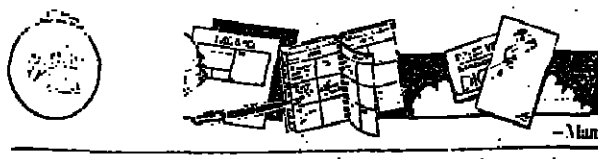
HB Healey & Baker
Established 1820 in London
29 St. George Street, Hanover Square,
London W1A 3BG 01-629 9292
CITY OF LONDON 118 OLD BROAD STREET LONDON EC2N 1AR
ASSOCIATED OFFICES PARIS BRUSSELS AMSTERDAM & JERSEY

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—Managerial—Administrative—Secretarial—Personal Assistants—

All recruitment advertisements on this page are open to both male and female applicants.

London. S.W.1. Tel.: 01-
839 7050.



La creme de la creme Opportunities

—Managerial—Administrative—Secretarial—Personal Assistants—

All recruitment advertisements on this page are open to both male and female applicants.

Top Jobs for Top People

PERIVALE £3,300-£3,500
The General Manager of an expanding Automotive Engineering Company, covering U.K. and European markets, needs a fairly good Personal Assistant. (Good typing, Auto and some shorthand are required.) He is a very great deal and needs to feel absolute confidence in his P.A. Age approx. 25-35.

RECEPTIONIST/SECRETARY
A key job for an attractive, intelligent person who will work for the Sales Manager and enjoy client contact.
Contact: Miss A. Moriarty 01-235 9984

FASHION INDUSTRY £3,500
A secretary of real calibre is required for the M.D. of a famous company manufacturing high grade ladies wear. He deals with a wide range of industrial problems, buying, selling, exports, etc. and serves on many national committees. Good secretarial skills, initiative and if possible a European language. Discount on P.A. salary.
Contact Mrs. J. Annit 01-235 9984

BLACKFRIARS £3,500
A rare opportunity for a young secretary of about 21/30 to work at top level as BILINGUAL SECRETARY FLUENT IN FRENCH. Good secretarial skills. World famous company. Excellent conditions.
Contact Miss M. Cornforth 01-235 9984

Late night opening 6.45 pm every Thursday.
Telephone Mrs. Dorothy Allison (Manager) on 01-235 9984 for an appointment at 4-5 Grosvenor Place, Hyde Park Corner, SW1

BI-LINGUAL ENGLISH/FRENCH SECRETARY

required for Managing Director of International drinks company marketing such famous brands as PERNO, BISQUIT, SUZE and a selection of fine wines. Applicants (aged 25+) should have impeccable shorthand and typing skills in both languages (with English as the mother-tongue) and should enjoy working in a very busy environment. Salary negotiable from £3,250 plus bonus, LVs and pension scheme.

Applications in writing with full C.V. to: **ADMINISTRATIVE MANAGER PERNO (UK) LTD., 160 New Bond Street, LONDON W1Y 0SE**

SECRETARY FOR A PARTNER

London EC4 £3,200-plus

This is an outstanding opportunity for an experienced Shorthand Secretary to join a major international firm of Chartered Accountants at their modern City office. Aged 23-plus, applicants must have the confidence to work on their own initiative during the Partner's absence. Applicants must also be willing to be trained to use a word-processor machine.

Further details, please contact Mr. H. B. Booth-Hinson on 01-236 9487

PROMOTION—YOUR REWARD

The Managing Director of a well established Textile Agency in W.I. able to acknowledge reliability, initiative and administrative skills, is looking for a Secretary with proven P.A. abilities. A willingness to become involved and work as part of a team are of vital importance. Salary £3,500.

SENIOR SECRETARIES

173 New Bond St. W.I.
01-498 0892/01-498 9807

Career plan

PA TO ADVERTISING MD
Young Advertising Agency MD needs a first class PA/Sec to assist him in all aspects of Agency life. Advertising experience preferred.
£3,500 NEG.

'THAT AGENCY'

155 Kensington High St., W.8.
01-837 4326.

MAYFAIR SOLICITOR

First class Secretary/P.A. required primarily in entertainment business. Top salary will be paid to right person, who is energetic and personable will be required to match their abilities.
PHONE 01-232 8516 FOR APPOINTMENT

TRI-LINGUAL P.A.

£4,600 plus and bonus
French/German/English
Extensive travel to Paris, Amsterdam, Rome and other European cities. President of American firm requires P.A. with secretarial skills. Beautiful City office.
01-352 4892

£3,500-£4,000

TOP TYPE
Executive Secretaries are recruiting senior secretaries in a variety of interesting areas. Our Clients are looking for people with depth as our candidates so that we can successfully match people and personalities to ensure job satisfaction.

Currently we have vacancies in such fields as PR, Wines and Spirits, Confectionery, Finance and Leisure, plus an exciting challenge as right hand to the Export Manager of an international fabric company. A mature approach in a demanding environment is an integral part of the role which must be combined with secretarial skills and the willingness to travel to Europe.

Top Type
25 New Bond Street
London W1Y 0SE
Tel. 01-493 3159/40

£3,750 p.a.
Swedish English Secretary/Shortland Typist (22-30) living in Sweden. I am looking for an international P.A. who can speak Swedish and English.

£4,000 p.a.
For personable efficient Secretary (25-30) to work for a busy City Lawyer firm. Good salary, excellent conditions and excellent P.A. to W.I. contact.

£3,700 p.a.
Senior Secretary (25-30) with excellent shorthand and typing skills. I am looking for a P.A. to a busy City Lawyer firm. Good salary, excellent conditions and excellent P.A. to W.I. contact.

£3,500 p.a.
Capable Secretary/Shortland Typist (22-30) living in Sweden. I am looking for an international P.A. who can speak Swedish and English.

TEMPORARY ALDIP SECRETARIES
We are looking for a P.A. to a busy City Lawyer firm. Good salary, excellent conditions and excellent P.A. to W.I. contact.

SECRETARIES PLUS
01-263 9953
Secretarial Consultants
170 Bishopsgate, E.C.2.

Advertising orientated?

Opportunity to handle your own accounts, liaise with clients and contact with the media as PA/Secretary to the MD of this prestige W.I. Agency.

£3,500
Degree/A levels and good typing skills a must for this role. Opportunity as PA to W.I. Consultant.

£3,500
Fine Arts
Executive editor seeks young Secretary with a genuine interest in publishing and a pleasant phone manner. An additional language useful.

£3,000
Bond St. Bureau
629 0641 629 3692

3 Top Advertising jobs

PA/Sec. to Chairman
£3,200
Chairman of world-wide media group. Needs a person with advertising P.A. background for this number one position.

Admin. Sec. £3,000
to Assist 2nd Account Director. Some quality work. Excellent opportunity for experienced Sec. to move into account handling role.

Sec./PA to M.D. £3,500
Top Advertising man needs someone to come in to assist him in the running of his business. Close involvement with his work. Must have good P.A. background. Must have good P.A. background. Must have good P.A. background.

Please phone Terry Grant 01-493 3159/40
71 New Bond St. W.I.

adpower
1541 Concorde

Triple-A Rated

Well presented, well spoken, well able to cope with the requirements for the following top City jobs:

£4,500
For Chairman/Finance Director's Secretary. 30-40.

£4,000+
For Secretary to Senior Banking Executive who needs someone to really take an interest in his work. 28-35. The benefits are substantial.

£2,750+
The plus means a clothes allowance and the best City Receptionist/Telephone Job on the market. 20-25.

We'll be delighted to tell you more. Ring Gladys MacIntyre on 01-493 3159/40.

M. & J. PERSONNEL
538 0174

Top Secretary

£3,490
Chairman of International Group in W.I. seeks a personable, well educated P.A./Secretary to become totally involved in all aspects of both his company and personal affairs. Contact Gladys on 01-493 3159/40.

NINE ELEVEN PERSONNEL
01-493 3159/40

INTERNATIONAL OIL BROKER

Small luxury office trading with EEC and Middle East requires capable, efficient P.A. to assist with visitors, organise meetings, travel arrangements, etc. Good salary and excellent conditions. Good salary and excellent conditions. Good salary and excellent conditions.

MANAGEMENT CONSULTANTS
Well presented, able to work under pressure for dynamic organization dealing with world-wide projects. Excellent administrative skills required. P.A. with secretarial skills. Beautiful City office.
01-352 4892

CENTACOM
PICCADILLY
Charming Secretary/PA/Div. Manager. Excellent salary and excellent conditions. Excellent salary and excellent conditions. Excellent salary and excellent conditions.

WIMBLEDON, SEC/PA
With bookkeeping experience. For International Firm. Excellent salary and excellent conditions. Excellent salary and excellent conditions. Excellent salary and excellent conditions.

SECRETARY FOR ADVERTISING AGENCY DIRECTOR

Bright, vivacious, pleasant phone manner and, above all, efficient. The Finance Director of one of London's busiest and brightest Recruitment Advertising and Management Selection Agencies needs a Secretary like you. There's plenty of variety and involvement. Personnel and Welfare work, world-wide travel arrangements, client contact and daily liaison with the Managing Director. Obviously at this level you'll need fast and accurate shorthand and typing, plenty of energy and enthusiasm and, advertising being what it is, willingness to work odd hours occasionally.

There's no figure or audio work involved, just the normal duties you'd expect as a Director's Personal Secretary. Pay and conditions are good and an excellent fringe benefits package includes a weekly holiday.

We also have two other vacancies for a Shortland Typist and a Copy Typist. If a secretarial job in an advertising agency appeals to you, then contact Sue McCann: 60 St. Martin's Lane, London WC2N 4JL Tel. 01-636 1500

SECRETARY to Director of International Consultancy

Requirements: experienced competent secretary with good audio; ability to act on own initiative after introductory period; technical or scientific background or qualification an advantage; must be a good organiser able to deal confidently with clients; age at least 25.

Some travelling in U.K. and Europe may be necessary, mainly in connection with conferences organised by consultancy or in which it is participating.

Job involves: challenging, interesting work; opportunity to make important personal contribution to the success of the consultancy; career development potential beyond this post.

Starting salary £3,250. Please write with details of age, qualifications and experience to Box 0563 J, The Times.

THE CITY NEEDS YOU IF...
you are a young secretary (21-35), intelligent and interested in working at a senior level in Finance, Personnel, Legal or non-commercial work in true P.A. jobs. Salaries circa £4,000.

Secretarial linguists, graduates keen on marketing and super-receptionists are also currently required by our leading City clients.

THE WEST END NEEDS YOU IF...
you find Charitable, Educational Course organizing, Theatrical/Visual work of interest and if you enjoy the facilities afforded by Mayfair based international commercial companies. Salaries circa £3,500.

ANGELA MORTIMER LTD.
(Recruitment Consultants)
189 Piccadilly
499 5378

£4,250

We are seeking a really good Secretary/P.A. to join an overworked Managing Director. The ideal candidate will be a person prepared to take an active part in running the business. Hard work, long hours, travel at home and abroad are all on the bill.

In return you will be guaranteed job satisfaction and involvement as the role is more P.A. than secretarial.

DIRECTORS' SECRETARIES
01-629 9323

USE YOUR LANGUAGE!

£3,500-£3,750
Our client—a highly successful international consultancy looking for a wonderful P.A. to assist in the running of his business. Close involvement with his work. Must have good P.A. background. Must have good P.A. background. Must have good P.A. background.

Please phone Terry Grant 01-493 3159/40
71 New Bond St. W.I.

ACORN PERSONNEL SERVICES

10 Maddox St., W.1.
01-493 3159/40

CHALLENGING (AND FUN) POSITION

£3,800
Responsible position managing office and staff in prestige St. James's building accommodation. Excellent salary and excellent conditions. Excellent salary and excellent conditions. Excellent salary and excellent conditions.

CONFIDENTIAL SECRETARY
An international private company based in W.I. is looking for a Secretarial Executive who needs someone to really take an interest in his work. 28-35. The benefits are substantial.

£2,750+
The plus means a clothes allowance and the best City Receptionist/Telephone Job on the market. 20-25.

We'll be delighted to tell you more. Ring Gladys MacIntyre on 01-493 3159/40.

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Well presented, able to work under pressure for dynamic organization dealing with world-wide projects. Excellent administrative skills required. P.A. with secretarial skills. Beautiful City office.
01-352 4892

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PICCADILLY
Charming Secretary/PA/Div. Manager. Excellent salary and excellent conditions. Excellent salary and excellent conditions. Excellent salary and excellent conditions.

WIMBLEDON, SEC/PA
With bookkeeping experience. For International Firm. Excellent salary and excellent conditions. Excellent salary and excellent conditions. Excellent salary and excellent conditions.

Secretarial and Non-secretarial Appointments

NON-SECRETARIAL
"MONSOON"
REQUIRE ASSISTANTS

Good positions offered to experienced secretaries and assistants. Salaries according to experience. Please send resume to: 21, The Times, London W.1.

Phone: 589 9906
01-493 3159/40

GALLERY ASSISTANT
Would you like to join a small London team engaged in the art and antique trade? If you are willing to work hard, can deal with the public and have a keen eye for detail, we have a vacancy for a Gallery Assistant. Box 0738 J, The Times.

WEST END ADVERTISING AGENCY
RECEPTIONIST/TYPIST
Someone intelligent and personable to assist in the running of a busy City office. Good salary and excellent conditions. Good salary and excellent conditions. Good salary and excellent conditions.

RECEPTIONIST/TELEPHONIST
For busy Wharfedale Ltd. cardiology clinic. Receptionist/Telephonist. Good salary and excellent conditions. Good salary and excellent conditions. Good salary and excellent conditions.

EXPERIENCED NEGOTIATOR
Fast-growing international company requires experienced negotiator for overseas work. Good salary and excellent conditions. Good salary and excellent conditions. Good salary and excellent conditions.

ENERGETIC full time Receptionist
required for busy Health Centre. Good salary and excellent conditions. Good salary and excellent conditions. Good salary and excellent conditions.

FILM COMPANY requires young
receptionist/secretary for their London office. Good salary and excellent conditions. Good salary and excellent conditions. Good salary and excellent conditions.

LAKE DISTRICT Hotel
requires a young, energetic, and personable Receptionist/Telephonist. Good salary and excellent conditions. Good salary and excellent conditions. Good salary and excellent conditions.

PHOTOGRAPHER
needs person for day shooting. Good salary and excellent conditions. Good salary and excellent conditions. Good salary and excellent conditions.

ADVERTISING AGENCY
requires a young, energetic, and personable Receptionist/Telephonist. Good salary and excellent conditions. Good salary and excellent conditions. Good salary and excellent conditions.

ACCOUNTS ASSISTANT
age 20+ required for busy City office. Good salary and excellent conditions. Good salary and excellent conditions. Good salary and excellent conditions.

PHOTOGRAPHIC AGENCY
W.I. seeks a young, energetic, and personable Receptionist/Telephonist. Good salary and excellent conditions. Good salary and excellent conditions. Good salary and excellent conditions.

RECEPTIONIST/TELEPHONIST
for busy City office. Good salary and excellent conditions. Good salary and excellent conditions. Good salary and excellent conditions.

INFORMATION ASSISTANT
required for busy City office. Good salary and excellent conditions. Good salary and excellent conditions. Good salary and excellent conditions.

DESIGNER
required for busy City office. Good salary and excellent conditions. Good salary and excellent conditions. Good salary and excellent conditions.

SEC/PA MODEL
Able to deal with people? Have a lively personality and a sense of humour? If you have a good P.A. background, we have a vacancy for a Sec/PA Model. Good salary and excellent conditions. Good salary and excellent conditions. Good salary and excellent conditions.

CONNECTION
£4,000 + + General Administrator, City Group, needs P.A. to assist in the running of his business. Good salary and excellent conditions. Good salary and excellent conditions. Good salary and excellent conditions.

RECEPTIONIST/TELEPHONIST
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SECRETARIAL

Managing Director/Chairman of Book Publishing Company

Personal Assistant/Secretary

Candidate should have some knowledge of publishing, longer hours than 9-5, be ready to help with correspondence and editorial work. Write in complete confidence to: W.C.E. 7 A.L.

£3,000 PLUS
FIRST CLASS AUDIO SECRETARY
with initiative and ability required for busy City office. Good salary and excellent conditions. Good salary and excellent conditions. Good salary and excellent conditions.

COUNTRY LIFE
REQUIRES A SECRETARY
for the Art Editor. Good salary and excellent conditions. Good salary and excellent conditions. Good salary and excellent conditions.

DESIGN CENTRE PART-TIME SECRETARY
Are you interested in promoting a new design centre? Good salary and excellent conditions. Good salary and excellent conditions. Good salary and excellent conditions.

WORKS OF ART COLLEGE LEAVER
£2,500
Bright, well educated College leaver, with shorthand and typing skills. Good salary and excellent conditions. Good salary and excellent conditions. Good salary and excellent conditions.

KEY ROLE WITH REAL RESPONSIBILITY
Chairman at small firm of who shipper needs cheerful, energetic, and personable P.A. to assist in the running of his business. Good salary and excellent conditions. Good salary and excellent conditions. Good salary and excellent conditions.

CHALLENGERS
195 Victoria St., S.W.1.
01-493 3159/40

W.8 TRAVEL COMPANY
requires a young, energetic, and personable Receptionist/Telephonist. Good salary and excellent conditions. Good salary and excellent conditions. Good salary and excellent conditions.

GOOD HOUSEKEEPING
needs a young, energetic, and personable Receptionist/Telephonist. Good salary and excellent conditions. Good salary and excellent conditions. Good salary and excellent conditions.

COLLEGE LEAVERS
2ND jobbers. Well known Merchant Bank. Good salary and excellent conditions. Good salary and excellent conditions. Good salary and excellent conditions.

OVERLAND TOUR OPERATOR
requires a young, energetic, and personable Receptionist/Telephonist. Good salary and excellent conditions. Good salary and excellent conditions. Good salary and excellent conditions.

CAPABLE AUDIO-SECRETARY
required for busy City office. Good salary and excellent conditions. Good salary and excellent conditions. Good salary and excellent conditions.

RECEPTIONIST/TELEPHONIST
for busy City office. Good salary and excellent conditions. Good salary and excellent conditions. Good salary and excellent conditions.

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